

1 **STATE OF NEW HAMPSHIRE**
2 **PUBLIC UTILITIES COMMISSION**

3
4 **September 19, 2016** - 1:36 p.m.
5 Concord, New Hampshire

NHPUC OCT04'16 PM 3:51

6
7 **RE: DE 16-817**
8 **EVERSOURCE ENERGY:**
9 **Auction of Electric Generation**
10 **Facilities. (Prehearing Conference)**

11
12 **PRESENT:** Chairman Martin P. Honigberg, Presiding
13 Commissioner Robert R. Scott
14 Commissioner Kathryn M. Bailey

15 Sandy Deno, Clerk

16
17 **APPEARANCES:** **Reptg. Eversource Energy:**
18 Robert A. Bersak, Esq.
19 Linda T. Landis, Esq.

20 **Reptg. the City of Berlin and the**
21 **Town of Gorham:**
22 Christopher Boldt, Esq. (Donahue...)

23 **Reptg. the Town of Bristol:**
24 Shawn Tanguay, Esq. (Gardner Fulton..)

Reptg. the Town of New Hampton:
 Jane E. Whitelaw, Esq. (Mitchell...)

Reptg. the International Brotherhood
 of Electrical Workers:
 Thomas F. Ryan

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

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APPEARANCES: (c o n t i n u e d)

Reptg. Conservation Law Foundation:
Thomas F. Irwin, Esq.

Reptg. the Sierra Club:
Zachary M. Fabish, Esq.

Reptg. The Dupont Group:
James Monahan

Reptg. Office of Energy & Planning:
Christopher G. Aslin, Esq.
Assistant Atty. General,
N.H. Dept. of Justice
Dir. Amanda Merrill

Reptg. Residential Ratepayers:
James Brennan, Finance Director
Office of Consumer Advocate

Reptg. PUC Staff:
F. Anne Ross, Esq.
Alexander F. Speidel, Esq.
Thomas C. Frantz, Dir./Electric Div.
Leszek Stachow, Asst. Dir./Electric
Lynn Preston, Esq. (Sheehan Phinney)

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* * *

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P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: We're here this
3 afternoon in Docket DE 16-817, which is Public
4 Service Company of New Hampshire, which does
5 business as Eversource Energy, Auction of
6 Electric Generation Facilities. We have a
7 prehearing conference scheduled for this
8 afternoon. There's a technical session that
9 will follow. We're going to take appearances
10 from folks. We have a number of people who
11 have filed to intervene.

12 Why don't we start by taking
13 appearances.

14 MR. BERSAK: Good afternoon,
15 Commissioners. On behalf of Eversource Energy,
16 I'm Robert Bersak. And with me today is
17 Attorney Linda Landis. And, should the
18 occasion arrive, I have with me some subject
19 matter experts with respect to the divestiture
20 process. I have our Vice President of
21 Generation, William Smagula; our Director of
22 Rates and Revenue Requirements, Eric Chung; our
23 Manager of Rates and Regulatory for Generation,
24 Lynn Tillotson; and our Manager of

{DE 16-817} [Prehearing conference] {09-19-16}

1 Environmental Operations, Mr. Daniel Watton.

2 MR. BOLDT: Chris Boldt, of Donahue,
3 Tucker & Ciandella, for host communities Berlin
4 and Gorham.

5 MR. TANGUAY: Shawn Tanguay, of
6 Gardner, Fulton & Waugh, representing the Town
7 of Bristol.

8 MS. WHITELOW: Jae Whitelaw, Mitchell
9 Municipal Group, representing the Town of New
10 Hampton.

11 CHAIRMAN HONIGBERG: Anybody in the
12 back row?

13 MR. RYAN: Tom Ryan, International
14 Brotherhood of Electrical Workers.

15 CHAIRMAN HONIGBERG: I'm sorry, sir.
16 What's your name?

17 MR. RYAN: Tom Ryan.

18 CHAIRMAN HONIGBERG: Thank you.
19 Anybody else in the back?

20 *[No verbal response.]*

21 CHAIRMAN HONIGBERG: All right.

22 MR. ASLIN: Chris Aslin, on behalf of
23 the Office of Energy Planning. Along with me
24 today is Director Amanda Merrill.

1 MR. IRWIN: Good afternoon. Tom
2 Irwin, Conservation Law Foundation.

3 MS. MONAHAN: Jim Monahan, with The
4 Dupont Group.

5 CHAIRMAN HONIGBERG: Mr. Monahan, you
6 did file to intervene, correct?

7 MR. MONAHAN: That is correct. I did
8 ask for the opportunity to be on the service
9 list. Subsequent, I had a conversation with
10 the General Counsel who informed me that I'd be
11 in a better position to ask to be an interested
12 party. So, if the opportunity -- if that's
13 required before you, Mr. Chairman, I can do
14 that. Otherwise, I'll just communicate with
15 the General Counsel.

16 CHAIRMAN HONIGBERG: It doesn't.
17 We'll have fun with the glossary another time.

18 MS. MONAHAN: Thank you.

19 MR. FABISH: Good afternoon. Zack
20 Fabish, for the Sierra Club.

21 MR. COREY: Good afternoon. Paul
22 Corey, with Pannone, Lopes, Devereaux & West,
23 on behalf of J.P. Morgan.

24 MR. BRENNAN: Good afternoon,

1 Chairman. Jim Brennan, Director of Finance, at
2 the Office of the Consumer Advocate.

3 MS. ROSS: Good afternoon,
4 Commissioners. Anne Ross, and with me today is
5 Neil Davids from J.P. Morgan, as well as Tom
6 Frantz and Les Stachow and Alex Speidel, and
7 Lynn Preston, who is an environmental attorney
8 with Sheehan Phinney.

9 CHAIRMAN HONIGBERG: City of Concord?
10 Mr. Kennedy? Anybody here for the City of
11 Concord?

12 *[No verbal response.]*

13 CHAIRMAN HONIGBERG: All righty,
14 then. We got intervention motions from a
15 number of you who entered appearances. The
16 Company filed a response, not, as I understood
17 it, Mr. Bersak, an objection to any of the
18 petitions to intervene. Did I understand that
19 correctly?

20 MR. BERSAK: Yes, you did.

21 CHAIRMAN HONIGBERG: Ms. Ross,
22 Mr. Brennan, do you have any position on the
23 interventions? Mr. Brennan, why don't we start
24 with you.

1 Why don't you find a microphone for
2 Mr. Patnaude's benefit.

3 MR. BRENNAN: Absent the presence of
4 Don Kreis, our Consumer Advocate, at this time
5 we have no objection to any of the matters.

6 CHAIRMAN HONIGBERG: Ms. Ross.

7 MS. ROSS: Staff doesn't object to
8 any of the interventions. But would like to
9 remind the intervening parties that it's
10 Staff's view that this docket has a fairly
11 limited scope, and that it is an implementation
12 of the divestiture order. And, therefore, the
13 scope in this docket is limited, really, to the
14 auction design, the auction process, the asset
15 groupings, and the remediation proposed at
16 Schiller.

17 So, with that recommended limitation,
18 we have no objection to the interventions.

19 CHAIRMAN HONIGBERG: I guess I'd like
20 to hear from Mr. Irwin and Mr. Fabish to start
21 with, as to what part of the statute that we're
22 following here, the order, the Settlement, all
23 these things. You're filing doesn't look like
24 any of those things. So, why don't you tell us

1 again why it is you think it would be
2 appropriate for you to be intervenors in this
3 proceeding?

4 Let's start with Mr. Irwin.

5 MR. IRWIN: Thank you, Mr. Chairman
6 and Commissioners. As you know, Conservation
7 Law Foundation was an intervenor and full
8 participant in the divestiture docket. We
9 fully understand and appreciate the limited
10 scope at issue in this docket.

11 Having participated in the
12 divestiture docket, obviously, we have a
13 concern with and an interest in seeing
14 divestiture happen, and, ideally, in an
15 expedited matter -- manner. And, for that
16 reason, we would like to intervene in this
17 proceeding and have the ability, as issues
18 arise, should there be issues that we believe
19 are relevant to our concerns, to be able to
20 address them.

21 CHAIRMAN HONIGBERG: Mr. Fabish.

22 MR. FABISH: Thank you. I'd like to
23 echo most of what Mr. Irwin said, and add to
24 it. That, we, the Sierra Club, did not sign

1 the proposal that ultimately became the order
2 resolving the divestiture docket, I think that
3 the way in which the auction is conducted,
4 certainly, the timing, certainly, the issue of
5 potential remediation of mercury at Schiller,
6 possibly the way the different assets are
7 grouped and ultimately sold, carry a number of
8 implications that impact core concerns of the
9 Sierra Club in New Hampshire. And, as a
10 result, we have an interest in being part of
11 this docket to offer information, potentially
12 take questions, and see that those interests
13 are protected.

14 CHAIRMAN HONIGBERG: Commissioner
15 Bailey.

16 CMSR. BAILEY: I think both of your
17 interests generally are environmental, your
18 core interests, right? Can you explain to me
19 how those interests are going to have anything
20 to do with maximizing transaction value of the
21 sales?

22 MR. IRWIN: I think, as Mr. Fabish
23 indicated, and CLF would share these concerns,
24 issues such as the groupings of the assets are

1 certainly relevant and could play out in ways
2 that either result in certain generation assets
3 being sold or not. We would like to see a
4 successful auction. And I think -- so, I
5 think, you know, these concerns are related to,
6 but not solely focused on, total transaction
7 value.

8 But, you know, we also understand
9 that the municipalities share certain concerns
10 that -- or have certain concerns that could
11 affect the timing or design of the auction
12 process. We may or may not agree with those --
13 with positions asserted by municipalities.

14 And, again, would like to have the
15 opportunity, should issues arise, to ask
16 questions of the various experts and
17 participate fully in the proceeding.

18 CHAIRMAN HONIGBERG: Does either of
19 you have some vast expertise in asset auctions
20 that will help inform everyone as to how this
21 should be done? We have professionals here who
22 have done this before. And I have questions
23 about whether you -- do you intend to hire your
24 own expert on this process or do you have some

1 in-house expertise on structuring asset
2 auctions?

3 MR. IRWIN: Speaking for Conservation
4 Law Foundation, we will likely not retain an
5 expert. We are, obviously, aware of
6 divestiture proceedings that have taken place
7 elsewhere in the region. To the extent there
8 are lessons to be learned from them, we may
9 draw from those proceedings.

10 But, at bottom, having actively
11 engaged in the divestiture proceeding, having
12 been a signatory to the Settlement Agreement,
13 we would like the opportunity to continue
14 participating in this docket.

15 And, you know, it's certainly our
16 understanding that Eversource and other parties
17 don't object. And we fully are aware of and
18 appreciate the limited scope of the proceeding.

19 CHAIRMAN HONIGBERG: Mr. Fabish.

20 MR. FABISH: Although I can't say
21 that we intend, as of this moment, to retain an
22 expert, that is certainly something that we are
23 exploring. I think that --

24 CHAIRMAN HONIGBERG: Really?

1 Seriously? I mean, I'm not --

2 MR. FABISH: No, no.

3 CHAIRMAN HONIGBERG: I mean, you are
4 seriously considering hiring an expert in
5 auctions? Is that the representation you're
6 making to us?

7 MR. FABISH: Yes. No, I mean --

8 CHAIRMAN HONIGBERG: And when do you
9 think you'll have your mind made up as to
10 whether you'll be retaining an expert?

11 MR. FABISH: Probably in the next
12 week or two.

13 CHAIRMAN HONIGBERG: What else would
14 you have to offer us in this docket?

15 MR. FABISH: Although I personally
16 haven't participated in a divestiture -- an
17 auction-based divestiture proceeding, the
18 Sierra Club has extensive experience in both
19 PUC proceedings generally, and in situations in
20 which assets have been -- have been moved from
21 one entity to another, in terms of ownership.
22 I think that there's a degree of expertise
23 there that could be offered. And I think
24 there's a viewpoint concerning the implications

1 for an auction that is also an important
2 addition.

3 CHAIRMAN HONIGBERG: Okay. Mr. Ryan,
4 can you find a microphone please, so that the
5 transcript will be clear?

6 I mean, we understand the IBEW, like
7 CLF, is a signatory to the Agreement. You have
8 certain -- the Union has certain rights, or its
9 employees do, under the statutes. It's all
10 recognized. What do you anticipate your role
11 being during this proceeding?

12 MR. RYAN: I'm going to monitor the
13 proceeding for the membership. My members work
14 in all the assets that are going to be
15 auctioned off. They're grouped already. They
16 may not be grouped in the same assets when
17 they're sold.

18 For example, the hydros, there's
19 eleven hydros. There's different members work
20 in all of them. They all report to three
21 different functional groupings. If they're
22 sold separately, that means that the employees
23 are going to have to be divided up amongst the
24 assets.

1 CHAIRMAN HONIGBERG: You understand
2 that, in order to monitor, you don't need to be
3 a party or intervene in the proceeding. You
4 understand that?

5 MR. RYAN: I do, but I prefer to be a
6 party to the proceeding.

7 CHAIRMAN HONIGBERG: So, I'll ask
8 again. What is it you intend to do as a matter
9 party, besides monitor, which I think is what
10 you said?

11 MR. RYAN: I'm just going to listen
12 to the testimony. I'm going to consider what
13 the groupings of the assets are. I may have to
14 involve myself deeper, if there's an asset
15 division which is going to adversely affect the
16 membership.

17 CHAIRMAN HONIGBERG: Thank you.

18 (Chairman and Commissioners
19 conferring.)

20 CHAIRMAN HONIGBERG: We're going to
21 take five minutes and have a conversation.

22 (Chairman and Commissioners
23 conferring.)

24 CHAIRMAN HONIGBERG: Ah, yes. Thank

1 you for reminding, Commissioner Bailey. Mr.
2 Aslin, what is OEP's plan for participation as
3 an intervenor in this proceeding?

4 MR. ASLIN: Thank you, Mr. Chairman.
5 OEP is planning to participate in the
6 proceeding to ensure that the State's interests
7 in the auction are progressing expeditiously
8 and continue. And OEP has a particular
9 interest in the issue of the remediation of the
10 Schiller mercury and how that process will be
11 implemented through the auction process. And,
12 in particular, how it will impact stranded
13 costs and the ratepayers. It hasn't been
14 developed yet in what we've seen so far fully,
15 so I don't have specific comments at this
16 point. But we expect to be engaged in
17 understanding that process and providing some
18 input from the State's perspective as to what
19 direction we think would be in the best
20 interest of the state and ratepayers.

21 CHAIRMAN HONIGBERG: And OEP is a
22 signatory to the Agreement that settled the
23 open dockets, correct?

24 MR. ASLIN: That is correct.

1 CMSR. BAILEY: Are your interests --
2 are the State's interests for the ratepayers
3 different than the Office of Consumer
4 Advocate's interests? Could you work with
5 them?

6 MR. ASLIN: We certainly would
7 anticipate working with the OCA in that
8 respect.

9 CMSR. BAILEY: Are the interests more
10 than residential ratepayer interests?

11 MR. ASLIN: I'd say the State's
12 interests are broader than purely residential
13 ratepayer interests, yes. But they're
14 probably, in the case of the mercury
15 remediation, the interests are probably more or
16 less aligned among rate classes.

17 CMSR. BAILEY: Okay. Thank you.

18 CHAIRMAN HONIGBERG: We are going to
19 break for five or ten minutes in just a minute.
20 But what's going to happen when we come back,
21 we may or may not rule on interventions from
22 the bench. That's one of the things we're
23 going to discuss. But, when we come back, I'm
24 going to ask Staff to outline how they

1 anticipate the process going forward with -- I
2 think with the perhaps vocal input from J.P.
3 Morgan during the prehearing conference while
4 we're here, so we get some of that, some of
5 those things on the record, and not just in the
6 technical session.

7 So, we're going to take a short break
8 and be back as quickly as we can.

9 MR. BERSAK: Mr. Chairman, I do have
10 one other procedural item maybe you can
11 consider while you're breaking. If you take a
12 look at the filing we made this morning that's
13 before you, you see there's a service list
14 attached. And this service list has a lot of
15 people on it, far beyond the number of entities
16 that have intervened in this proceeding.
17 You'll notice that certain of them are
18 highlighted in gray, and these are parties that
19 had intervened in either 11-250, the Scrubber
20 proceeding, or 14-238, the Settlement
21 proceeding, but have not submitted petitions to
22 intervene here.

23 It would be the Company's request
24 that we kind of cleanse the service list, so we

1 only have actual parties for this proceeding on
2 the service list for this docket. That leaves
3 the one within the square there, which is Mr.
4 Monahan and the Dupont Group, who's neither
5 fish nor fowl. They did file something in this
6 proceeding, but not to intervene. And we would
7 suggest that people who are not parties should
8 not be on the service list because it creates
9 difficulties knowing whose rights and
10 responsibilities are out there.

11 CHAIRMAN HONIGBERG: Ms. Ross, do you
12 have anything on that you want to offer?

13 MS. ROSS: I think it would make
14 sense to reduce the service list to the parties
15 who have actually intervened. That service
16 list was generated as a courtesy, to make sure
17 that, in addition to publishing the notice,
18 that parties who had an interest in 14-238 were
19 given a notice of the existence of this
20 proceeding.

21 So, Staff would support a reduction
22 of the service list.

23 CHAIRMAN HONIGBERG: Do you have a
24 position on Mr. Monahan, who apparently is

1 neither fish nor fowl, but has some other terms
2 that may or may not be associated with him that
3 we can define later?

4 MS. ROSS: I have no position on Mr.
5 Monahan. Thank you.

6 CHAIRMAN HONIGBERG: Mr. Monahan, you
7 just want to know what's going on, right?

8 MS. MONAHAN: Yes. And I didn't want
9 to burden the proceeding by asking for any sort
10 of limited intervention. So, yes. I think if
11 we can come up with some mechanism so anything
12 issued by the Commission perhaps is shared
13 with --

14 *[Court reporter interruption.]*

15 CHAIRMAN HONIGBERG: Although -- off
16 the record.

17 *[Brief off-the-record discussion*
18 *ensued.]*

19 CHAIRMAN HONIGBERG: Why don't you
20 continue now.

21 MS. MONAHAN: So, as I was saying,
22 we'd be happy to come up with a mechanism to
23 receive anything issued by the Commission in
24 this proceeding, but would not want to burden

1 the parties with having to provide us with
2 service.

3 CHAIRMAN HONIGBERG: Okay. I think
4 we understand everybody's position on this.

5 Anything else preliminary that we
6 need to hear about before we take a short
7 break?

8 *[No verbal response.]*

9 CHAIRMAN HONIGBERG: All right.
10 Seeing none, we will adjourn for a short while.

11 (Recess taken at 1:54 p.m. and
12 the prehearing conference
13 resumed at 2:10 p.m.)

14 CHAIRMAN HONIGBERG: Thank you all
15 for your patience. We are going to grant
16 petitions to intervene. There are likely to be
17 some limitations on some of them. The
18 exception at this point is the City of Concord.
19 We're not certain how Concord is like the other
20 municipalities in this, given the Company's
21 property that's located within the City. And,
22 since they're not here, there's no dialogue we
23 can have with them. But things may be
24 clarified shortly regarding that. Everybody

1 else, the intervenor status is going to be
2 granted. So, you can expect an order on that
3 at some point.

4 Mr. Monahan, Staff will work with you
5 and the other parties on how exactly to
6 accommodate your needs. And I suspect you
7 won't be alone, in that there will be others
8 who will be looking to be able to keep informed
9 on what's going on here.

10 MR. BERSAK: Mr. Chairman?

11 CHAIRMAN HONIGBERG: Yes, Mr. Bersak.

12 MR. BERSAK: Just to make sure that
13 the Commissioners are aware, that one of the
14 generating facilities being sold is, in fact,
15 in the City of Concord, the Garvins Falls Hydro
16 Station is in Concord.

17 CHAIRMAN HONIGBERG: Ah. So, the
18 statements from last year are no longer
19 operative, that the Garvins Falls property is
20 not being auction?

21 MR. BERSAK: Well, there's property
22 and then there's property. There's two
23 different properties. The properties that are
24 associated with the hydro facility, that are

1 within the FERC project boundaries, those are
2 being sold. But there's a separate and
3 distinct parcel of land, about 600 acres,
4 that's located off Garvins Falls Road, that is
5 not generation property, that's not associated
6 with the hydro facility, and that's the
7 property that the City discussed in their
8 petition to intervene that they have interest
9 in with respect to future development
10 opportunities for the City.

11 CHAIRMAN HONIGBERG: And have you had
12 this conversation with Mr. Kennedy or Ms. Pacik
13 about this?

14 MR. BERSAK: Yes.

15 CHAIRMAN HONIGBERG: So, they -- and
16 why aren't they here, anybody know?

17 MR. BERSAK: Maybe they're lost.

18 CHAIRMAN HONIGBERG: Mr. Boldt.

19 MR. BOLDT: I could only say that I
20 know Ms. Pacik was across town, as I was, with
21 the sister process for Northern Pass. So, I
22 know she's in that room today. I don't know
23 about Mr. Kennedy.

24 CHAIRMAN HONIGBERG: Yes, we're not

1 going to acknowledge any siblings on that. All
2 right. So, it sounds like the City of Concord
3 is in the same situation as the other
4 municipalities who are here. So, they will be
5 treated the same way.

6 All right. I think I'm going to hand
7 the floor over to Ms. Ross, however she wants
8 to organize what presentation Staff and J.P.
9 Morgan want to make to help set the scene
10 somewhat for what follows.

11 MS. ROSS: Thank you. What Staff has
12 proposed for today is that we offer as an
13 exhibit the filed summary of the auction design
14 and process and asset groupings that was filed
15 in this docket on the 12th. So, I'll do that
16 now.

17 *[Atty. Ross distributing*
18 *documents.]*

19 CHAIRMAN HONIGBERG: And you made
20 that filing on September 12th, is that correct?

21 MS. ROSS: That's correct.

22 CHAIRMAN HONIGBERG: All right. So,
23 that's going to be "Exhibit 1" in this
24 proceeding.

1 (The document, as described, was
2 herewith marked as **Exhibit 1** for
3 identification.)

4 MS. ROSS: And then what we would
5 propose is that Neil Davids, from J.P. Morgan,
6 give a brief summary of the company's
7 experience in this type of process and a little
8 summary of the process and design that's been
9 filed for this auction of assets. And then
10 that we make Mr. Neils [Mr. Davids?] available
11 for questions on the record today, for parties
12 who wish to have the advantage of a court
13 reporter and a recorded record.

14 We will also be having a technical
15 session following the close of this hearing,
16 and we will further discuss the procedural
17 schedule for the rest of this docket. And
18 there will be additional opportunity for
19 questions at that time.

20 So, with that, I would like to
21 introduce the witness, Neil Davids.

22 CHAIRMAN HONIGBERG: Mr. Davids. Off
23 the record for a minute.

24 *[Brief off-the-record discussion*

DIRECT EXAMINATION

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BY MS. ROSS:

Q. Would you, Mr. Davids, would you give your full name and your business, your job, for the stenographer please.

A. Sure. Neil Davids. I am an Executive Director at J.P. Morgan. And I sit within the Energy Investment Bank Coverage Group.

Q. And, Mr. Davids, did you prepare the auction design that we've entered as an exhibit and that we filed with the Commission on the 12th of September?

A. I did.

Q. Would you mind giving just a brief summary of J.P. Morgan's background and of your recommendation?

A. Sure. Sure. So, first off, thank you to the Commission and the Staff for having me here today. J.P. Morgan is very much looking forward to leading a successful auction process for the remaining PSNH generation assets. Our goal is to conduct an efficient and transparent auction process that maximizes value for the Eversource ratepayers. J.P. Morgan is a

1 leading global financial services institution,
2 with operations in more than 100 countries,
3 with over \$2.4 trillion in assets. Our power
4 generation investment banking franchise has
5 completed over 40 U.S. generation assignments
6 representing more than 59 billion in asset
7 value and 72 gigawatts of transaction volume.
8 This also includes serving as advisor to New
9 England Public Utility Commissions on all
10 regional generation divestiture processes,
11 including the divestiture of Seabrook Nuclear
12 Generating Station in 2002.

13 To accomplish our goal of maximizing value
14 for Eversource ratepayers, we've designed the
15 process to be as transparent and flexible as
16 possible. Given the public divestiture order,
17 confidentiality becomes less of a process
18 design issue here. And, therefore, we will
19 invite any and all qualified buyers to
20 participate in the auction process. This will
21 typically foster the highest level of
22 competition, with the potential to find that
23 "hidden buyer" that might not be identified in
24 a more narrow, limited process.

1 Prior to formally launching the process,
2 we expect to conduct an RFQ, whereby J.P.
3 Morgan and the Commission Staff will determine
4 if an interested party is qualified to
5 participate. The basis for qualification will
6 include operating history, track record for
7 ownership, financial wherewithal. But I would
8 note that all municipalities seeking to
9 participate will be automatically being
10 qualified to participate in the auction
11 process.

12 Given the large number of potential
13 bidders that we expect, JP Morgan has
14 recommended structuring the process as a
15 two-stage auction design. In round one,
16 bidders will be asked to submit a preliminary
17 non-binding proposal on the basis of the
18 marketing materials provided by J.P. Morgan and
19 Eversource. The marketing materials will
20 include a teaser, a confidential information
21 memorandum, and third party consulting reports.

22 In round one, J.P. Morgan will allow
23 potential bidders to bid on whichever
24 portfolio, subportfolio, or assets they may

1 have an interest in, thus maximizing
2 flexibility.

3 In round two, we will narrow it to a
4 smaller group of potential bidders to conduct
5 detailed due diligence, including site visits,
6 access to an electronic data room, consisting
7 of detailed plant-level operational statistics,
8 and contract data. Potential bidders will be
9 asked to submit their final binding bid, along
10 with a mark-up of a purchase and sale
11 agreement, whereby select parties will be
12 invited to engage in final negotiations.

13 It's essential that an auction process
14 maintains proper momentum and structure and
15 discipline. And we have included an indicative
16 timeline in our submission that Anne Ross has
17 filed.

18 The market environment for U.S. power
19 generation assets remains very strong, as
20 evidenced by the number of recent fossil and
21 hydro generation transactions announced in the
22 last 12 months. Furthermore, at the current
23 time, the financing markets have been
24 supportive of power generation financings and

1 rates remain at historical lows.

2 I'm now happy to take any and all
3 questions on our process design. Thank you.

4 CHAIRMAN HONIGBERG: Who has
5 questions that they want Mr. Davids to address
6 on the record? Mr. Boldt.

7 MR. BOLDT: I might have a couple,
8 Mr. Chairman. Mr. Davis [Mr. Davids?], my name
9 is Chris Boldt. I'm from Donahue, Tucker &
10 Ciandella, and I represent the City of Berlin
11 and the Town of Gorham up in the North Country.
12 We are host communities of two of the hydros
13 there.

14 BY MR. BOLDT:

15 Q. Reading some of your background material, I
16 understand you've been involved in the
17 TransCanada pending sales?

18 A. That's correct.

19 Q. Have those sales reached conclusion yet?

20 A. That sale process is well advanced.

21 Q. And, by "well advanced", have you gotten
22 through the second round?

23 A. We are nearing the end of the second round.

24 Q. Do you have an opinion on the impact of those

1 13 hydros being on the market at the same time
2 as the hydros that are involved in this
3 divestiture?

4 A. Well, when you say "impact", we do not expect
5 any overlap of buyers, because that process is
6 well advanced already. And, by the time we
7 launch that process, the expectation is that
8 that would have concluded.

9 Q. So that, by your launch date on the list that
10 we have just been provided, what date are you
11 referencing there?

12 A. When I talk about "launch", I am mainly
13 referencing the distribution of teasers.

14 Q. So, your first round?

15 A. Yes, our first round.

16 Q. And, under your current design format, are you
17 expecting -- or, allowing, rather, the
18 municipalities to, I believe I heard you,
19 automatically qualify, correct?

20 A. You're referring to the PSNH auction design
21 now?

22 Q. Correct. Your one in this docket.

23 A. Yes. Yes, we are.

24 Q. And is that for -- does that mean that the

1 municipalities do not have to give anything
2 other than an indication of interest in the
3 first round and wait for materials in the
4 second round?

5 A. Yes. In the first round, the municipalities,
6 should they choose to participate, would be
7 provided with the marketing materials, the
8 teaser, the confidential information
9 memorandum, and the consulting reports. And we
10 would suggest that they submit a non-binding
11 proposal in the first round.

12 Q. Well, a suggestion is different from a
13 requirement. My concern is, just so you know
14 where I'm going is, timing of things on a
15 municipal calendar is close to glacial, but not
16 quite.

17 A. Uh-huh.

18 Q. So, I am concerned about the rapidity expressed
19 in your current plan. If you are saying that
20 we need, as municipalities, to take an
21 affirmative action, other than to say "we are
22 interested" in that first round, that's what
23 I'm looking for your clarification on.

24 A. Uh-huh. Uh-huh. You are automatically granted

1 access to the auction. You will have access to
2 not only the first round, but, as I'm told by
3 the order, also the second round. So, you can
4 feel free to come in with your bid at any point
5 in time up and until kind of the final bid
6 period, which we expect, based on the
7 documentation that we provided, would be in the
8 March timeframe.

9 Q. Will we be automatically involved in what seems
10 to be a third round, where you're negotiating
11 with two or more bidders?

12 A. At that point in time, we would have selected
13 the winners of the auction based on value and
14 other attributes. And I can't foresee where
15 your bids will stack up verse others.

16 MR. BOLDT: I think the remainder of
17 my questions can go into tech session, Your
18 Honor. Thank you for your time.

19 CHAIRMAN HONIGBERG: Who else has
20 questions for Mr. Davids?

21 *[No verbal response.]*

22 CHAIRMAN HONIGBERG: Commissioner
23 Scott, do you have questions for Mr. Davids?

24 CMSR. SCOTT: Yes. Thank you. Over

1 here.

2 BY CMSR. SCOTT:

3 Q. I'll start with, can you define a little bit
4 more what a "teaser" is?

5 A. Sure. A "teaser" is a document that is meant
6 to engender, solicit interest from parties, and
7 describe an overview of the opportunity, what's
8 for sale. That document is not going to
9 contain any confidential information, *per se*,
10 but more just a description of the assets and
11 who to reach out to at J.P. Morgan should you
12 have an interest in pursuing the opportunity
13 further.

14 Q. Thank you. And you mentioned two keys of the
15 process you're suggesting is one is to be
16 transparent, the other one is flexible. So,
17 I'm going to probe a little bit the flexibility
18 side of things. So, that's the context of my
19 questions. But you've heard, first of all,
20 it's a relatively expedited process. And,
21 within that, you've also heard some concerns, I
22 think Schiller has been mentioned multiple
23 times about potential need for remediation.
24 Will the process your envisioning accommodate

1 environmental site assessments, if the
2 purchasers think they need more due diligence
3 on the site itself? How does that work?

4 A. Yes. Our intent is not to let the remediation
5 stand in the way of any closing. We suggested
6 the remediation, as bidders, without that, may
7 refrain from bidding on the Schiller facility,
8 or heavily discount the Schiller facility
9 without that remediation. The way the timeline
10 works out, it appears that that remediation,
11 and I'd defer to the Eversource crew on this,
12 but it appears that remediation will be
13 significantly advanced by the time we're at
14 least at management presentations, which is in
15 the new year. And, at that point, we would be
16 able to at least, you know, guide buyers as to
17 an update on where that remediation is headed.

18 Q. So, that implies that, you know, frankly, I
19 said "remediation", I was thinking "site
20 assessment", you know, so a potential buyer
21 could know what they were looking at, as far as
22 any liability.

23 A. Uh-huh.

24 Q. So, your discussion assumes that a buyer would

1 be buying something that's already been fully
2 remediated, is that correct?

3 A. Yes. They would have to know that the
4 remediation is well underway to participate in
5 the process, and that would be helpful and kind
6 of engendering maximum competition from our
7 perspective. Whether or not they intend to
8 close before that is complete, we need to
9 actually see how that unfolds and how the
10 timing unfolds. But the flexibility, you know,
11 is part of it, and where are we in the
12 remediation process as we are approaching the
13 final bid phase. And, you know, where the
14 environmental liabilities eventually fall will
15 be part of the negotiation at the end.

16 Q. And you talk about "remediation", I mean, these
17 are industrial sites. So, you're talking
18 beyond just any potential mercury at Schiller,
19 are we not?

20 A. Correct.

21 Q. Okay. And I think you've kind of answered
22 this. So, to the extent that work has been
23 done, how does that, as far as remediation, the
24 site assessment, and all the environmental due

1 diligence for all the sites, to the extent that
2 that's been done, how is that communicated with
3 the potential bidders? How do they know where
4 that is, so they don't feel they have to go
5 through that themselves?

6 A. Yes. And, that's part of the transparency and
7 very open process, about not only in the
8 information memorandums, what steps we're
9 undertaking now, with respect to the
10 remediation, and then in management
11 presentations, almost having a little bit of a
12 tutorial about what has been going on with
13 remediation and where that process actually
14 stands. And they would, obviously, be very
15 intrigued and very interested about how that
16 process is going and when it expects to
17 conclude.

18 Q. And does your process envision, it sounds like
19 it does, I just want to clarify it, you know,
20 if I'm a bidder, but I only want this property,
21 but I don't want the whole property, I want
22 this section. Do you envision, you know, am I
23 able to bid like that? Is there any
24 prohibition for that type of thing?

1 A. Let me just ask a question. When you're saying
2 "the property", are you saying if there's extra
3 real estate over here or are you actually
4 talking about separate generation assets?

5 Q. Let's take a hypothetical. So, there's a
6 generation unit on this 20-acre lot, but I only
7 want to buy the generation asset and 15 acres
8 of that lot around it, but I don't want that
9 5 acres.

10 A. Yes. I think we would be flexible in hearing
11 that proposal.

12 Q. Okay. And, similar train of thought. So, if
13 you have some that are fairly -- some
14 properties, assets, that are pretty
15 straightforward, you're not -- really,
16 remediation is not an issue, looks like things
17 could go really quickly for them, are you going
18 to break out the quick ones with the long ones?
19 Are you going to try to do them all together?
20 Is that flexibility type of thing you could do?

21 A. No. I think, for our process, we'd like to
22 maintain that discipline on the timeline, and
23 give everyone the timing that we kind of
24 alluded to in the documentation, where it would

1 be approximately six to eight weeks for that
2 final diligence phase, and not have to break
3 off into, you know, separate groups or separate
4 negotiations. In order to drive competitive
5 tension, you really want everyone heading
6 toward one final bid deadline.

7 Q. And, in hearing that response, so, you feel any
8 site assessment or remediation can all be done
9 in that timeframe then?

10 A. I would defer to the Eversource folks on that
11 particular front. But, certainly, a good
12 enough update at the management presentation
13 would be welcome and sufficient for buyers to
14 begin to get comfortable with any remediation
15 issues.

16 CMSR. SCOTT: Thank you.

17 MS. ROSS: May I ask a clarifying
18 question?

19 CHAIRMAN HONIGBERG: Before you do
20 that, Ms. Ross, go off the record for a second.

21 *[Brief off-the-record discussion*
22 *ensued.]*

23 CHAIRMAN HONIGBERG: All right.
24 We'll go back on the record. Ms. Ross, you may

1 proceed.

2 BY MS. ROSS:

3 Q. With regard to bidder due diligence, is it
4 common for bidders to conduct any type of Level
5 II assessment of sites during the auction
6 process prior to final bids?

7 A. It is possible. I wouldn't say that it's
8 common. Typically, in the processes that we
9 run, the Phase I environmental report is
10 sufficient.

11 Q. And, just to confirm, in this case, Phase Is
12 have been performed on all of the assets, is
13 that your understanding?

14 A. That's my understanding.

15 MS. ROSS: Okay. Thank you.

16 CHAIRMAN HONIGBERG: Commissioner
17 Bailey.

18 BY CMSR. BAILEY:

19 Q. Could you tell me a little bit about asset
20 groupings, and what the pros and cons are by
21 grouping certain assets in different ways?
22 Not -- I don't want you to tell me what you
23 think is going to happen or what -- what you
24 think is the best way to do it. I just want to

1 understand the universe of possibilities and
2 why some are better than others, I guess, if
3 you can do that?

4 A. Okay. Certainly. So, in this design, we're,
5 obviously, letting ultimate flexibility in
6 letting folks bid on any asset that they see
7 fit. Are you interested in how the groups tend
8 to fall out in auctions or who intends to bid
9 on what specific part of the asset groupings?

10 Q. Well, I'm not sure I understand the concept, I
11 guess.

12 A. Uh-huh.

13 Q. So, in the first round of bidding, somebody
14 might bid just on a hydro facility and somebody
15 else might bid on everything?

16 A. Uh-huh.

17 Q. And then somehow you have to decide before
18 Phase II which things have to go together, is
19 that --

20 A. No. Okay, that's helpful context. So, if we
21 were to just say, just to give you an example,
22 that we're only taking bids for the whole
23 portfolio, all right? That would limit our
24 buyer universe, as some folks would only be

1 interested in fossil, others would be
2 interested in hydro. By taking bids for
3 assets, we are allowing a sum-of-the-parts
4 approach to proceed, in an effort to maximize
5 value. So, if someone values the hydro
6 component of the portfolio more and someone
7 values the coal, that might be higher than
8 anyone that we forced to take the whole
9 portfolio, because there are going to be
10 different buyer groups.

11 Q. So, what happens between the first round and
12 the second round? Do you determine, by asset
13 grouping, you say -- somehow the decision is
14 made either that they're all going to be sold
15 together or parts of it are going to be sold in
16 this group and parts of it are going to be sold
17 maybe all the fossils together and all the
18 hydros together or could it even be broken down
19 as few as individual hydros? I'm just --

20 A. No. No, that's helpful. So, we're going to
21 see where interest lies at the end of the first
22 round.

23 Q. Okay.

24 A. And then we're going to make a decision about

1 whether or not to group them in subportfolios.
2 You know, what is maximizing value for
3 Eversource, if we see enough interest in just
4 fossil portfolios, we might make a subgrouping
5 out of that. But, you know, part of the
6 accommodation to those municipalities is not
7 wanting to group all of the hydros together and
8 forcing people just to bid on the entire
9 hydros. So, we want to maintain flexibility.
10 So that, if there is a bid for one single
11 hydro, we would be able to account for that in
12 our process.

13 CMSR. BAILEY: Okay. Thank you.

14 BY CHAIRMAN HONIGBERG:

15 Q. With respect to the schedule that you set or
16 you've outlined here, while we are in an
17 expedited process, and that word gets used a
18 lot, do you feel like the process that you've
19 outlined is expedited from your perspective or
20 is this normal? Normal? Is it shorter than
21 normal? Longer than normal? Or just within
22 the broad range of normal?

23 A. This has been set up as very standard
24 commercial practice, in terms of having a first

1 round process that is anywhere from four to six
2 weeks and a second round process that is
3 anywhere from six to eight weeks.

4 Q. And do you have experience with dealing with
5 municipalities who are -- who have facilities
6 within their borders who are interested in the
7 fate of those facilities?

8 A. We do.

9 Q. And you specifically?

10 A. Yes.

11 Q. Do you have any -- no, strike that. Further,
12 with respect to the asset groupings questions
13 that Commissioner Bailey was asking you about,
14 do you expect that, after the first round, you
15 will fix asset groupings before the second
16 round or will flexibility be maintained through
17 the second round as well?

18 A. I think flexibility is going to be an important
19 part of this process. And I would -- as I
20 stand here today, we still need to see how the
21 interest develops, but, you know, given that we
22 want to maintain the ability to bid on
23 individual assets with the hydros, that we will
24 be assuming that we will take individual bids

1 for assets.

2 CHAIRMAN HONIGBERG: I think that's
3 all I had.

4 Ms. Ross, is there anything else you
5 feel important that we get on the record?

6 MS. ROSS: No. I think we can cover
7 the other issues in the technical session.

8 The only other sort of housekeeping
9 matter I would mention is that part of the J.P.
10 Morgan proposal recommends two independent
11 reports, one by a market analyst and also a
12 second by an engineer. And those reports are
13 to be competitively bid and experts selected.
14 And I would want the Commission to know that
15 the Staff would want to be authorized to
16 approve those reports as part of the
17 administrative process and not bring those
18 contracts back to the Commission.

19 CHAIRMAN HONIGBERG: Understood.
20 We'll circle back to that in just a minute.
21 Mr. Bersak, is there something you wanted to --

22 MR. BERSAK: Yes. Commissioner Scott
23 asked Mr. Davids about the ability to
24 accelerate the sale of some aspects of the

1 auction or some of the assets that are going to
2 be sold. And I think that Mr. Davids is aware
3 that Eversource owns a minority interest in the
4 Wyman 4 generating station up in Yarmouth,
5 Maine. And, as part of the Settlement
6 Agreement, this particular asset is one that
7 could be sold outside of the auction process.

8 And I was going to just have Mr.
9 Davids, you know, discuss whether that
10 particular asset is, in fact, going to be
11 handled differently, in an effort to try and
12 see if we can actually make a sale of that
13 ownership interest in the near term.

14 CHAIRMAN HONIGBERG: Mr. Davids, do
15 you understand the question?

16 WITNESS DAVIDS: I do. And thank you
17 for pointing that out, Bob. That is an
18 interest that is less than 5 percent ownership
19 interest in the Wyman facility. And, you know,
20 that is an interest that we would recommend
21 that we immediately explore interest with the
22 other owners at first, before including it in
23 the overall auction process. As adding another
24 facility to the process engenders more

1 diligence for buyers, and is a relatively small
2 stake in that of only 5 percent.

3 MR. BERSAK: Thank you.

4 CHAIRMAN HONIGBERG: All right.

5 Ms. Ross, circling back to what you were
6 talking about, the independent market analysis,
7 the independent engineer. My understanding
8 from the proposal is that it would be desirable
9 to get that process started sooner rather than
10 later, is that correct?

11 MS. ROSS: That is correct. And we
12 were -- J.P. Morgan indicated that that is
13 typical packaging for this type of asset sale,
14 and that buyers expect to see that information.
15 So, we would like to make sure that process is
16 allowed.

17 CHAIRMAN HONIGBERG: Well, I would
18 say that, to the extent, in the technical
19 session, there's broad agreement on any issue,
20 in particular, an issue like that, which I
21 think J.P. Morgan has made clear is typical
22 standard practice in doing this type of thing,
23 that it would be in everybody's best interest
24 to get that process started. And maybe I'm

1 wrong, maybe there will be some dissent from
2 the group that's assembled here. But, to the
3 extent there's broad agreement, and everyone
4 can stipulate that we can proceed without
5 having to wait to hear the comments when
6 they're filed, whenever we put in the Order of
7 Notice on that, that would be okay. We'd be
8 happy to issue something in advance of that to
9 get that process started. If the Parties can
10 agree on how this is going to go and forgo
11 their comments, that would be fine, too. But
12 we want to make sure that we have -- give
13 everybody an opportunity to learn about as best
14 they can and make whatever judgments they feel
15 are appropriate in advance of that. Does that
16 work for you?

17 MS. ROSS: Yes. We'll cover that
18 topic in the tech session.

19 CHAIRMAN HONIGBERG: All right.
20 Commissioner Scott.

21 CMSR. SCOTT: This is for the
22 utility. I was curious, since I had asked the
23 gentleman from J.P. Morgan about site
24 assessment, can you give us an update on how

1 the sites, characterizing the sites, I know
2 there was a, what, a Phase I was done. Can you
3 give me an idea of where you are right now and
4 what the timing of that is?

5 MR. BERSAK: Sure. Commissioner
6 Scott, as I said earlier, we do have three
7 people from our company who are well versed in
8 the generating sites and especially the
9 environmental characteristics of the sites.
10 And, as far as I'm concerned, they could join
11 Mr. Davids up at the witness stand and make it
12 easier for Mr. Patnaude to record what they
13 have to say.

14 So, we have Mr. Smagula and Ms.
15 Tillotson and Mr. Watton join Mr. Davids.

16 CHAIRMAN HONIGBERG: I think
17 Commissioner Scott has indicated that he
18 doesn't feel that's necessary, but --

19 MR. BERSAK: Okay. If it's not
20 necessary, I will ask Lynn Tillotson to answer
21 your question.

22 *[Court reporter interruption.]*

23 (Off the record.)

24 MS. TILLOTSON: Commissioners, hi.

1 We have completed all of the Phase I site
2 assessments. And we've presented them not only
3 to the Commission Staff, but also to DES. The
4 process then involved the DES folks, part of
5 Waste Management, to review them. Because of
6 the expedited effort, they provided letters
7 that highlighted some of the questions and
8 follow-up areas that they wanted to have us
9 work on with them. Those have happened. We've
10 had meetings on all of the locations. There
11 were 18 site assessments. And, for clarity,
12 when people go and look, the DES folks worked
13 on 17 of them, because one of them is for
14 Vermont. So, we have 17 that are being
15 actively managed by the DES folks.

16 Subsequent to their letters coming
17 out, we have met with them and addressed the
18 open issues that they either wanted to follow
19 up on or requested us to bring additional
20 information. We have provided, I think, 14 of
21 the 17 follow-up packages, involving everything
22 for some on-site work possibly or supplemental
23 lab work. It was a variety of items, depending
24 on sites.

1 Subsequent to that step, the DES
2 folks have been generating letters that have
3 sort of closed out their review process. And,
4 at this point in time, we don't believe we'll
5 have any open issues that we know of at this
6 time on any of the 17 locations.

7 I think one of the things that I
8 noted as the conversation went on here today,
9 our Phase I site assessments did have the
10 benefit of some additional work back in
11 1999/2000, there was some activity. That
12 actually provided some insight that might not
13 be typical of a Phase I, which is only a file
14 review oftentimes.

15 So, if we look to the Schiller
16 location, there were a handful of items there
17 that have had follow-up activity that has been
18 captured in not only the Phase I site
19 assessment initially, but then in subsequent
20 meetings, subsequent review, and then possibly
21 more information provided by Haley & Aldrich,
22 our engineers, and information we've done.
23 We've got additional work there. All of that's
24 been captured and added to the record. All in

1 an effort to sort of take care of what might be
2 considered at least typical only items for a
3 potential buyer to be interested in.

4 And that leaves really one open item,
5 which is now on the inside of the building.
6 The mercury boilers fall into a slightly
7 different category, because there's no exposure
8 to the environment, because it's in good shape.
9 We've all been working there for the last 48
10 years. And the DES folks are monitoring that
11 effort. But they understand that that will be
12 a dismantling project that's undertaken. There
13 will be some obligations to take care of
14 disposal appropriately. Certainly, if there
15 was anything that happened during that that
16 resulted in a spill, certainly nothing that we
17 would expect, we know when to engage them both
18 informationally and both as a regulator.

19 So, at this point, the Phase I
20 effort, with some enhanced effort, is brought
21 to closure. And, at this point, it would be up
22 to a J.P. Morgan whether or not a particular
23 bidder would come in and have some other
24 interests that are not necessarily anything to

1 do with our Phase Is, because there really
2 aren't open items with that, but it may give a
3 particular issue that they would have, that
4 would really be their own interest, not
5 something that we have raised to this point.

6 CMSR. SCOTT: And inherent in what
7 you all said, I mean, to me, when I think of an
8 older industrial site, it's typical you could
9 have, you know, oil solvents, asbestos, PCBs at
10 a transformer station, those are fairly not
11 uncommon issues. And you feel that's all been
12 covered?

13 MS. TILLOTSON: Correct. To the
14 extent that they're well-managed and being
15 appropriately cared for, I'll contrast asbestos
16 at a site that's appropriate for working
17 conditions is one condition, and that's
18 certainly very different than if you walked up
19 to the site and clearly had asbestos on the
20 ground outside or not in good repair inside.
21 All of our sites are actually commented on as
22 being well-maintained for industrial sites.
23 You know, certainly all of them working power
24 plants.

1 And, because of the timing and a
2 little bit of extra time, we've taken some
3 specific efforts. Schiller had a rail spur
4 that had some material. We've chosen to go
5 ahead and remove it, to simply take it off the
6 list of items that a buyer might have to worry
7 about.

8 There was a cooling tunnel that had
9 some elevated mercury levels, not above
10 standard, but we went ahead and completely
11 cleaned that tunnel. Again, to say, if it's
12 been removed, it no longer remains an open item
13 that somebody would want to have a question
14 about.

15 CMSR. SCOTT: Thank you.

16 CHAIRMAN HONIGBERG: Mr. Bersak, I
17 know I said I didn't want to acknowledge the
18 existence of the other regulatory body that I
19 chair. But do any of these assets have
20 certificates of site and facility that need to
21 be transferred through the SEC?

22 MR. BERSAK: No, they do not.

23 CHAIRMAN HONIGBERG: We seem to have
24 some dissent. Mr. Boldt.

1 MR. BOLDT: You asked "through the
2 SEC". Are there any that have to go through
3 the FERC, the FERC?

4 CHAIRMAN HONIGBERG: I wasn't asking
5 that question. But -- because I don't chair
6 the FERC. So, I'm a little bit less interested
7 in that one. But, I mean, are there FERC
8 licenses or permits that need to transferred in
9 some way?

10 MR. BERSAK: Yes.

11 CHAIRMAN HONIGBERG: All right. Is
12 there anything else we need to deal with before
13 we leave you to your technical session?

14 MS. ROSS: Not unless anyone has any
15 remaining questions.

16 CHAIRMAN HONIGBERG: All right.
17 Seeing none. Thank you all. Good luck with
18 your technical session.

19 *(Whereupon the prehearing*
20 *conference was adjourned at 2:40*
21 *p.m. and a technical session*
22 *held thereafter.)*

23

24