

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

December 17, 2019 - 10:20 a.m.
Concord, New Hampshire

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RE: DE 17-136
ELECTRIC AND GAS UTILITIES:
2018-2020 New Hampshire Statewide
Energy Efficiency Plan.

PRESENT: Chairwoman Dianne Martin, Presiding
Cmsr. Kathryn M. Bailey
Cmsr. Michael S. Giaimo
Jody Carmody, Clerk

APPEARANCES: Reptg. Public Service of New Hampshire
d/b/a Eversource Energy:
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Reptg. Unitil Energy Systems, Inc. and
Northern Utilities, Inc.:
Patrick H. Taylor, Esq.

Reptg. Liberty Utilities (Granite State
Electric) Corp. and Liberty Utilities
(EnergyNorth Natural Gas) Corp.:
Michael J. Sheehan, Esq.

Reptg. New Hampshire Electric
Cooperative:
Mark W. Dean, Esq.

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

CERTIFIED
ORIGINAL TRANSCRIPT

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

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**Reptg. N.H. Sustainable Energy Assn.
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Brian D. Buckley, Esq.
Jay Dudley, Electric Division
Elizabeth Nixon, Electric Division
Stephen Eckberg, Electric Division

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P R O C E E D I N G

1
2 CHAIRWOMAN MARTIN: Good morning,
3 everyone. Thank you for coming out in the
4 storm to join us.

5 We're here this morning in Docket DE
6 17-136, which is the Statewide Energy
7 Efficiency Plan 2020 Update.

8 Before we do anything else, let's
9 take appearances.

10 MR. FOSSUM: Good morning,
11 Commissioners. Matthew Fossum, here for Public
12 Service Company of New Hampshire, doing
13 business as Eversource Energy.

14 MR. TAYLOR: Good morning,
15 Commissioners. Patrick Taylor, on behalf of
16 Unitil Energy Systems and Northern Utilities,
17 Inc., both commonly known as "Unitil".

18 MR. SHEEHAN: Good morning,
19 Commissioners. Mike Sheehan, for Liberty
20 Utilities (EnergyNorth Natural Gas) and Liberty
21 Utilities (Granite State Electric).

22 MR. DEAN: Good morning. Mark Dean,
23 on behalf of New Hampshire Electric
24 Cooperative.

1 CHAIRWOMAN MARTIN: Good morning.

2 MS. MINEAU: Good morning,
3 Commissioners. Madeleine Mineau, on behalf of
4 Clean Energy New Hampshire.

5 MS. SHUTE: Good morning,
6 Commissioners. Christa Shute, on behalf of the
7 Office of the Consumer Advocate, on behalf of
8 residential ratepayers.

9 MR. BURKE: Good morning,
10 Commissioners. Raymond Burke, from New
11 Hampshire Legal Assistance, here on behalf of
12 The Way Home.

13 MS. OHLER: Good morning,
14 Commissioners. Rebecca Ohler, on behalf of the
15 New Hampshire Department of Environmental
16 Services.

17 MR. DEXTER: Good morning. Paul
18 Dexter and Brian Buckley, on behalf of the
19 Commission Staff.

20 CHAIRWOMAN MARTIN: Good morning.
21 Anyone else that we missed?

22 *[No indication given.]*

23 CHAIRWOMAN MARTIN: Okay. I see that
24 there are lots of people here today. Is there

1 anyone from the public who plans to make a
2 statement today on this issue?

3 *[No indication given.]*

4 CHAIRWOMAN MARTIN: Okay. Thank you.
5 Any preliminary matters, exhibits? And I know
6 we just received a motion.

7 Mr. Fossum.

8 MR. FOSSUM: I have -- well, I just
9 wanted to note, I guess, two things.

10 One is, this morning I saw an email
11 from the Conservation Law Foundation that they
12 would not be at the hearing here today. But
13 they are a signatory to the Settlement
14 Agreement regardless, and just wanted to inform
15 the parties of that. So, I'm merely stating
16 that to put that on the record.

17 The other thing that I'll note is
18 that, in the procedural schedule that was
19 approved for this docket, there was a notation
20 that the settlement would be due by December
21 12th, and that there was an asterisk by that
22 noting that a settlement on that date would
23 "require acceptance of a late-filed agreement,
24 as provided...in Puc 203.20(f)."

1 There was a Settlement Agreement
2 filed, as the Commissioners are aware, but
3 there was no request within that filing for
4 acceptance of the late-filed agreement, so, an
5 oversight on my part.

6 But, in light of the broad agreement
7 among the Parties, and the fact that it was
8 acknowledged that a settlement on that date
9 would require acceptance of a late-filed
10 agreement, to the extent necessary, I'm asking,
11 as I sit here this morning, for the Commission
12 to so accept that Settlement Agreement.

13 And I think that was all that I had
14 at the moment for preliminaries.

15 CHAIRWOMAN MARTIN: Before we move
16 forward, any objection to that request?

17 MR. DEXTER: Staff has no objection.

18 MS. SHUTE: OCA has no objection.

19 CHAIRWOMAN MARTIN: Okay. Hearing
20 none, we will accept that request and accept
21 the late filing, to the extent necessary.

22 MR. TAYLOR: Commissioners, I had one
23 preliminary matter to address as well.

24 CHAIRWOMAN MARTIN: Okay.

1 MR. TAYLOR: And now seems as good a
2 time as any to put it on the record.

3 In the filing that was submitted in
4 this case, both the initial filing, as well as
5 the November 1st filing, and I'll refer to the
6 November 1st filing, at Page 35, Unitil
7 indicated that it's going to "raise the maximum
8 amount of its residential on-bill loans to
9 \$7,500 for gas and electric customers." But
10 also indicated that it "will raise the maximum
11 amount of on-bill loans for moderate income
12 customers to \$15,000." And that we also stated
13 "these changes will be reflected in a tariff
14 filing."

15 We intend to submit those tariff
16 pages as part of the compliance filing in this
17 case. And that's something that I've discussed
18 with counsel for the other Parties.

19 CHAIRWOMAN MARTIN: Okay. Thank you.
20 So, we did receive a motion. Has everyone else
21 received the motion related to the Rauscher
22 testimony and the affidavit?

23 *[No verbal response.]*

24 CHAIRWOMAN MARTIN: Does anyone want

1 to be heard on the motion?

2 *[No indication given.]*

3 CHAIRWOMAN MARTIN: Okay. Mr.
4 Dexter.

5 MR. DEXTER: Yes. I just wanted to
6 give some context, I guess. I was contacted
7 last night by Attorney Birchard, asking if I
8 would state for the Commission that a affidavit
9 would be filed later in the day today related
10 to the Testimony of Chris Rauscher. And I told
11 Attorney Birchard that I would relay that
12 information, and the Clerk would be on the
13 lookout for that affidavit when it came in.

14 What I got today was a motion and an
15 affidavit attached to it. I haven't really had
16 a chance to read the motion. I assume it just
17 says that there's an affidavit attached.

18 And the affidavit itself, the actual
19 affidavit, to my knowledge, is still not here
20 yet. So, I just wanted to point that out to
21 the Commission.

22 I don't have an objection to the
23 motion, but I haven't read it. So, I wasn't
24 expecting a motion, I guess is my point.

1 CHAIRWOMAN MARTIN: Okay. Thank you.
2 I think probably everyone is in the same boat,
3 having just received it. So, we will take that
4 under advisement.

5 And that brings up the issue of
6 exhibits?

7 MR. FOSSUM: We have not premarked
8 any. There will be a number of exhibits, but
9 the exact ordering and numbering is not clear
10 at the moment. So, I think the only ones that
11 I can say with some certainty might show up
12 would be the Utilities' September 13th filing
13 in this docket, which, if the numbering holds,
14 would be "Exhibit 21", and then the Utilities'
15 November 1st Update, which would be "22" in
16 that order.

17 But, beyond that, the numbering may
18 move around.

19 CHAIRWOMAN MARTIN: Okay. Thank you.

20 MR. DEXTER: Staff has three exhibits
21 they would like to mark. And I would recommend
22 that they be marked following those. So,
23 starting with "23", would be the Testimony of
24 Elizabeth Nixon; "24" would be the Testimony of

1 Jay Dudley; and "25" would be the Testimony of
2 Stephen Eckberg.

3 And those were all filed earlier in
4 this proceeding. I forget the exact date.
5 November 13th.

6 CHAIRWOMAN MARTIN: Okay. So, let's
7 go with what we've said so far: "21" is the
8 09/13 Plan; "22" is the Update; "23" through
9 "25" are Staff testimony.

10 (The documents, as described,
11 were herewith marked as
12 **Exhibit 21 through 25,**
13 respectively, for
14 identification.)

15 CHAIRWOMAN MARTIN: Would you like to
16 also identify the Settlement Agreement?

17 MR. FOSSUM: Yes.

18 CHAIRWOMAN MARTIN: Okay. So, let's
19 call that "26" for now.

20 MR. FOSSUM: That's fine.

21 (The document, as described, was
22 herewith marked as **Exhibit 26**
23 for identification.)

24 CHAIRWOMAN MARTIN: And then, the

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Rauscher testimony, ultimately, let's make that
2 last, but, for the moment, we'll put a "27" on
3 it.

4 (The document, as described, was
5 herewith marked as **Exhibit 27**
6 for identification.)

7 MR. FOSSUM: In that case, I guess
8 the numbering won't move around too much.

9 CHAIRWOMAN MARTIN: Okay.
10 Mr. Fossum, are you ready to start with the
11 panel, the first panel?

12 MR. FOSSUM: We are. We do. We have
13 a first panel of the Utility and Staff
14 witnesses. And we're ready to begin on that.

15 (Whereupon **Kate Peters,**
16 **Michael Goldman, Mary Downs,**
17 **Elizabeth R. Nixon** and
18 **Jay E. Dudley** were duly sworn by
19 the Court Reporter.)

20 CHAIRWOMAN MARTIN: Mr. Fossum.

21 MR. FOSSUM: Thank you. Discussed
22 with counsel for the Staff, I'm going to --
23 we're just going to introduce and qualify --
24 or, I'm going to introduce and qualify the

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Utility witnesses, Staff will qualify the Staff
2 witnesses, and then we'll proceed with the
3 questioning.

4 So, with that said, I'll just work
5 left to right.

6 **KATE PETERS, SWORN**

7 **MICHAEL GOLDMAN, SWORN**

8 **MARY DOWNS, SWORN**

9 **ELIZABETH R. NIXON, SWORN**

10 **JAY E. DUDLEY, SWORN**

11 **DIRECT EXAMINATION**

12 BY MR. FOSSUM:

13 Q Ms. Peters, could you please state your name,
14 position, and your responsibilities for the
15 record?

16 A (Peters) Certainly. My name is Kate Peters.
17 I'm a Supervisor for Regulatory and Planning at
18 Eversource, working on the Energy Efficiency
19 Programs. And, in that capacity, I oversee our
20 plan filings, reporting, stakeholder
21 communications here in New Hampshire.

22 Q And, Mr. Goldman, could you also please state
23 your name, your position, and responsibilities?

24 A (Goldman) Sure. My name is Michael Goldman.

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 I'm Director of Regulatory, Planning and
2 Evaluation for Eversource Energy, with
3 responsibility for all regulatory matters and
4 filings. And I'm also responsible for our Peak
5 Load Management Programs and Active Demand
6 Management Programs.

7 Q And, finally, Ms. Downs, could you please state
8 your name, position, and responsibilities for
9 the record?

10 A (Downs) Yes. My name is Mary Downs. And I am
11 the Manager of Administration and Compliance
12 for Unitil, overseeing the energy efficiency
13 programs in both Massachusetts and New
14 Hampshire, in terms of compliance, evaluation,
15 reporting, and planning.

16 Q And, for the three Utility witnesses, did each
17 of you participate in the development of the
18 Plan that was filed back on September 13th in
19 this docket, and which has been marked as
20 "Exhibit 21"?

21 A (Peters) Yes.

22 A (Goldman) Yes.

23 A (Downs) Yes.

24 Q And you each are familiar with the terms of

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 that Plan and prepared to speak to the terms of
2 that Plan today?

3 A (Peters) Yes.

4 A (Goldman) Yes.

5 A (Downs) I am.

6 Q And did you also each participate in the
7 development of the Update Plan that was filed
8 on November 1st, and which has been marked as
9 "Exhibit 22"?

10 A (Peters) Yes.

11 A (Goldman) Yes.

12 A (Downs) Yes.

13 Q And you're each familiar with the terms of that
14 Plan and you're prepared to speak to that Plan
15 today?

16 A (Peters) Yes.

17 A (Goldman) Yes.

18 A (Downs) Yes.

19 Q And, for clarity, does the November 1st Plan,
20 that is Exhibit 22, does that update and
21 effectively replace what was filed on
22 September 13th?

23 A (Peters) Yes, it does.

24 Q Thank you. And, finally, did you each

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 participate in the development of the
2 Settlement Agreement that was filed on December
3 12th, and which has been marked as "Exhibit
4 26"?

5 A (Peters) Yes.

6 A (Goldman) Yes.

7 A (Downs) I did.

8 Q And you're each familiar with the terms of that
9 Settlement Agreement and you're prepared to
10 speak to the terms of that Agreement today, is
11 that correct?

12 A (Peters) Yes, it is.

13 A (Goldman) Yes.

14 A (Downs) Yes.

15 MR. FOSSUM: Thank you. That's what
16 I have for the initial questioning.

17 CHAIRWOMAN MARTIN: Mr. Dexter.

18 MR. DEXTER: Thank you. I'd like to
19 ask similar questions of the Staff witnesses.
20 And I would direct the questions to both of
21 them. And if you could answer in order, Mr.
22 Dudley first and Ms. Nixon second, I think that
23 would go smoothly.

24 BY MR. DEXTER:

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Q So, would you please both state your name and
2 position with the Commission?

3 A (Dudley) My name is Jay Dudley. I'm a
4 Utilities Analyst for the Electric Division of
5 the New Hampshire Public Utilities Commission?

6 A (Nixon) Elizabeth Nixon. I'm a Utility Analyst
7 in the Electric Division at the PUC as well.

8 Q And did you prepare testimony in this
9 proceeding?

10 A (Dudley) Yes.

11 A (Nixon) Yes, I did.

12 Q And do you have a copy of that testimony with
13 you?

14 A (Dudley) Yes.

15 A (Nixon) Yes, I do.

16 Q So, for the record, that testimony was filed on
17 November 13th. It consists of a series of
18 questions and answers. Do you have any
19 corrections or updates you'd want to make to
20 that testimony at this time?

21 A (Dudley) No, I do not.

22 A (Nixon) No, I do not.

23 Q And if I were to ask you the questions
24 contained in the testimony that we identified,

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 would your answers be the same as those
2 contained therein?

3 A (Dudley) Yes.

4 A (Nixon) Yes, they would.

5 Q And do you adopt those answers as your sworn
6 testimony in this proceeding?

7 A (Dudley) I do.

8 A (Nixon) Yes, I do.

9 Q And were you both involved in this proceeding
10 from the outset, right through the filing of
11 the Settlement?

12 A (Dudley) Yes.

13 A (Nixon) Yes.

14 Q And are you prepared today to respond to
15 questions about the programs that are -- the
16 energy efficiency programs that are provided
17 for in the Settlement?

18 A (Dudley) Yes, I am.

19 A (Nixon) Yes, I am.

20 MR. DEXTER: Thank you. That's all I
21 have.

22 CHAIRWOMAN MARTIN: Mr. Fossum.

23 MR. FOSSUM: Thank you.

24 BY MR. FOSSUM:

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Q Returning back to the Utility witnesses, and
2 recognizing that the Plan has been filed and is
3 available and has been reviewed, and likewise
4 with the Settlement Agreement, I'll ask, you
5 know, whichever the Utility witness is most
6 appropriate, could you please explain very
7 briefly highlights of the relevant portions of
8 the Plan and Settlement Agreement that is
9 before the Commission today?

10 A (Peters) Certainly. This plan for 2020 is
11 filed to meet the energy savings targets for
12 the third year of New Hampshire's first
13 three-year plan under the Energy Efficiency
14 Resource Standard. Those targets are
15 1.3 percent of 2014 sales for the electric
16 programs and 0.8 percent of 2014 sales for the
17 natural gas programs. The budgets for the 2020
18 programs total 65.6 million for the electric
19 programs and just over 11 million for the
20 natural gas programs.

21 After the Plan was filed on
22 September 13th, the Legislature passed House
23 Bill 4, which was the State Budget, and that
24 bill included language that required that

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 20 percent of funds from the System Benefits
2 Charge go to the Low Income Programs for energy
3 efficiency.

4 After reviewing that language and
5 reviewing the budgets that were included in the
6 September 13th filing, the Utilities made some
7 adjustments to those budgets. The November 1st
8 filing reflects those adjustments for the Home
9 Energy Assistance Program budgets to meet the
10 requirement of House Bill 4. The Parties have
11 reviewed these calculations, and we agree that
12 they meet the requirement of the law that was
13 passed this fall.

14 One item of particular note for the 2020
15 Update is the proposed expansion of the Active
16 Demand Reduction Initiative that's offered by
17 Eversource and Unitil. And I'm going to turn
18 to Mr. Goldman for a little additional
19 explanation on that.

20 A (Goldman) So, as part of Attachment A to the
21 Settlement Agreement, we outline what the 2019
22 Plan was or what we initially filed for this
23 year. Also, as part of that Attachment A, we
24 submitted what the Initial Draft Results were

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 for 2019 from what was offered over this
2 cooling season.

3 And then, we also outlined the
4 benefit/cost ratio and budgets and savings
5 associated with the 2020 proposed programs.
6 And I'd like to just take a minute to talk
7 about what those 2020 proposed programs are.

8 So, for commercial/industrial customers,
9 what we've proposed -- we have proposed is a
10 continuation and expansion of a technology
11 agnostic approach to demand response. It's
12 what we call a "Pay-for-Performance" program
13 design. Where we don't necessarily provide any
14 upfront incentives for technology or equipment,
15 but we do pay incentives for verifiable
16 load-shedding at the end of a season.

17 Unitil has also proposed a
18 commercial/industrial Bring Your Own Device
19 storage offering, where similarly there's no
20 upfront incentive for the technology itself,
21 but you're able to use existing customer
22 devices and pay for verifiable load-shed at the
23 end of the season.

24 For residential customers, we're

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 introducing a Bring Your Own Device Program for
2 Wi-Fi thermostats and batteries. There's no
3 upfront incentive for the technology to this
4 program, but, again, incentives for load-shed
5 and for participating in the program.

6 For the Wi-Fi Thermostat Program, for
7 those customers that already have a Wi-Fi
8 thermostat, we will send a signal to the
9 thermostat original equipment manufacturer
10 indicating that we want up to a four-degree
11 change in the setback temperature. Then, the
12 original equipment manufacturer would be
13 responsible for sending instructions to each
14 one of those thermostats. Customers can opt
15 out of any event by simply changing their
16 setback, if it has already been adjusted
17 through the program, with each event lasting up
18 to three hours.

19 On the residential side, we're also
20 proposing a Bring Your Own Device Program, more
21 similarly to the commercial/industrial program.
22 No upfront incentives for the piece of
23 technology itself, for the actual piece of
24 equipment, but we will pay an incentive for

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 verifiable load-shed at the end of the season.

2 Q Thank you. Understanding that this is --
3 what's before the Commission this morning is
4 intended for implementation in 2020, I did want
5 to just ask, though, if there's an update
6 available on program performance in 2019,
7 relative to the goals that were set and
8 applicable to 2019?

9 A (Peters) Certainly. We just met yesterday at
10 the Quarter 3 meeting for 2019, and talked both
11 about the Quarter 3 results and about some
12 projections for the end of the year.

13 The Quarter 3 report shows at that time
14 that we were 59 percent to goal for the
15 electric savings for the programs and
16 58 percent to goal for the natural gas savings.
17 That's typical of what you would see in a
18 Quarter 3 report. A lot of the savings end up
19 coming in at the end of the year as we are
20 paying out and booking a lot of the larger
21 projects that finish towards the end of the
22 year. So, in that regard, the Utilities have
23 been reviewing our projections. And we do
24 expect to meet the EERS savings targets for

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 2019.

2 The exact program dynamics differ a little
3 bit between the utilities. But, overall, on
4 the residential side, the Products Program is
5 driving a lot of the electric savings. We are
6 seeing some effects of workforce capacity
7 constraints for weatherization programs, our
8 Low Income Program and our Home Performance
9 with Energy Star Program.

10 We had some discussion about that
11 yesterday. The Utilities have been talking
12 with the Community Agency Agencies, and also
13 with out-of-state contractors and others, to
14 try to address some of these workforce
15 constraints.

16 On the commercial and industrial side,
17 those programs are generally on target. As I
18 noted, a lot of the large projects tend to
19 close towards the end of the year. They take a
20 longer time to implement than the residential
21 projects. But we are projecting achieving the
22 goals for both electric and natural gas.

23 Q And, so, then likewise, the goals that are set
24 and identified as part of this Plan and

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Settlement Agreement for 2020, the Utilities
2 expect to meet those as well?

3 A (Peters) Yes. We have developed a plan that we
4 believe will achieve those goals. We are
5 expanding upon the existing program offerings
6 that we have here in New Hampshire. So, we're
7 building on existing program mechanics,
8 relationships with vendors, relationships with
9 customers, to continue ramping up from 2019 to
10 2020 and achieve the 2020 EERS goals.

11 Q Thank you. Ms. Peters, one kind of other, I
12 guess, sort of more backward-looking thing is
13 relating to the proposed rates, and I know we
14 haven't gotten there yet, but the rates that
15 would be in place to support energy efficiency
16 in 2020. Could you, just at a very high level
17 and briefly, explain sort of how those proposed
18 rates relate back to what was anticipated when
19 this EERS was initially undertaken, and what
20 has happened over time with those?

21 A (Peters) Certainly. So, the proposed energy
22 efficiency rate for 2020 is 0.00528 cents per
23 kilowatt-hour. That amount is -- there were
24 two previous filings that looked at rates and

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 budgets for these programs. The original EERS
2 goal-setting filing had some anticipated -- or,
3 they were -- at that time they were
4 illustrative rates that the Parties used to
5 kind of get a sense of where the goals and the
6 programs might go for a three-year plan. The
7 rate for 2020 that we are proposing in this
8 filing is lower than the 2020 illustrative rate
9 that was used in that original EERS docket
10 filing.

11 The rate that we are using here for 2020
12 is the same rate that the Utilities used to
13 project the 2020 budget that was included in
14 the three-year plan filing, the first filing in
15 this docket, 17-136. And, in the Settlement
16 Agreement in 2019, all of the Parties agreed
17 that the rate the Utilities would use for this
18 2020 Update would be the rate that we used for
19 those projected 2020 budgets that were in the
20 three-year plan filing.

21 So, I guess, in very summary, the rates
22 that you see here are lower than what the
23 initial illustrative rates were in the EERS
24 initial filing. And they are the -- the rate

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 was not filed in the three-year plan, but the
2 rate that we've used here matches the rate we
3 used to project those budgets, if that makes
4 sense.

5 Q Now, Ms. Peters, if the Commission were to
6 approve this Settlement and the underlying
7 Plan, and there's been some mention of it
8 already this morning, would the Utilities be
9 filing a version of this Plan with all the
10 program information and backup information
11 that's modified by the Settlement Agreement?

12 A (Peters) Yes. We would anticipate submitting a
13 compliance filing that would be a full version
14 of the document, with the narratives and all
15 attachments reflecting the Settlement, so that
16 all of the final numbers and information are
17 together in a single filing.

18 Q And last, at least for my direct, for each of
19 the Utility witnesses, is it your position, on
20 behalf of the Utilities, that the Settlement
21 Agreement is a fair and reasonable agreement
22 that reflects a reasonable and appropriate
23 outcome for implementation of the EERS in 2020?

24 A (Peters) Yes, it is.

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 A (Goldman) Yes.

2 A (Downs) Yes.

3 MR. FOSSUM: That's what I have for
4 the Utility witnesses.

5 CHAIRWOMAN MARTIN: Thank you. Mr.
6 Dexter.

7 MR. DEXTER: Thank you. Again, I'll
8 ask the questions, and Mr. Dudley can answer
9 first, that will keep things orderly.

10 BY MR. DEXTER:

11 Q Do either of you have anything to add to the
12 summary of the Settlement that was presented by
13 the Utility witnesses?

14 A (Dudley) Only that the calculation for the
15 Performance Incentive under the program has
16 been changed and modified, which was part of
17 the work of the Performance Incentive Working
18 Group. And that report from that working group
19 has been attached to the Plan as Attachment M.

20 Q And Ms. Nixon?

21 A (Nixon) The only thing that I would add is in
22 attachment to the Settlement on the Demand
23 Response Programs on the benefit/cost ratios.
24 Those numbers presented are using what's called

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 the "Active Demand Model", it's a draft of that
2 model. When the Plan was approved last year,
3 the best available data was from the regionwide
4 Avoided Energy Supply Cost Study. And the
5 benefit/cost ratios were about 4.93 for
6 Eversource's C&I program and for Unitil's was
7 about 4.73.

8 But just to give you a frame of mind of
9 where we were when that was approved.

10 Q Maybe combining the questions wasn't a good
11 idea. Let's go back to Mr. Dudley's issue,
12 which was Performance Incentive.

13 Mr. Dudley, if I look at Bates Page 007 of
14 your testimony, I see a chart that's entitled
15 "Performance Incentive Components". This is
16 the proposed Performance Incentive calculation,
17 a summary of it, is that correct?

18 A (Dudley) That is correct. Yes.

19 Q Could you very briefly just indicate the key
20 changes from the existing Performance Incentive
21 calculation versus this newly proposed
22 calculation?

23 A (Dudley) Well, the existing performance
24 calculation is actually reflected, just for

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 comparison purposes, if I can find the page.
2 Actually, it's represented in the Plan. It's
3 represented in the Plan at Bates Page 271,
4 Attachment M. And what's represented there is
5 a breakdown of the current Performance
6 Incentive calculation.

7 And just briefly, the different components
8 of the calculation, in the middle of the page,
9 are labeled "1", "2", "3", and "4". The first
10 component involves the 5 percent -- the
11 5.5 percent portion of spending under the
12 program that's devoted to Performance
13 Incentive. Component Number 2 is the actual
14 expenditures of the Utilities on the programs.
15 Component Number 3 involves the benefit/cost
16 ratio comparing actual in the Plan, which is a
17 benefit/cost ratio of 1.0 to 1. And then,
18 Component 4 is the reconciliation of the
19 lifetime savings actual over the lifetime
20 kilowatt-hour savings planned. Now, --

21 Q And just so I know I'm following along, that
22 was a recap of Page 271. So, that's the
23 existing calculation?

24 A (Dudley) Correct.

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Q Okay. And now, if you could turn to the
2 proposed calculation?

3 A (Dudley) Yes. Under the proposed calculation,
4 what has changed, and that is provided on Bates
5 Page 268 of the Plan, the calculation has
6 actually been broken up into five separate
7 performance components, each with their own
8 minimum threshold of achievement and each with
9 their own percentage weighting as to how much
10 of the Performance Incentive can be earned for
11 each component.

12 Just to go down through quickly, the first
13 component is "Lifetime Savings", which is
14 included in the existing formula. There's also
15 "Annual Savings". Just to recap, just to back
16 up a moment. The lifetime savings component
17 has an incentive weight of 35 percent.
18 Component Number 2 is the "Annual Kilowatt-Hour
19 Savings", that has an incentive -- Performance
20 Incentive weighting of 10 percent. Component
21 Number 3 is the "Summer Peak [passive] Demand"
22 component, that has an incentive weight of
23 12 percent. Component Number 4 is the Winter
24 Peak Demand Savings", that has an incentive

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 weight of 8 percent. And then, finally, we
2 have the "Value" benefits component, with a
3 weighting of 35 percent.

4 What's different, one of the differences
5 in the new methodology is that the minimum
6 threshold required to earn performance
7 incentive, in terms of lifetime and annual
8 savings, and the value component has been
9 increased from the current 65 percent to
10 75 percent. The minimum threshold for both the
11 Summer Peak Demand and Winter Demand components
12 remains at 65 percent.

13 Q Thank you. So, with those explanations, is it
14 your testimony that the Settlement provides for
15 a reasonable resolution of this docket?

16 A (Dudley) Yes.

17 Q And Ms. Nixon?

18 A (Nixon) Yes.

19 MR. DEXTER: Thanks. That's all I
20 have.

21 CHAIRWOMAN MARTIN: Thank you.
22 Commissioner Bailey.

23 BY CMSR. BAILEY:

24 Q All right. Let's follow up. Let's start by

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 following up with the Performance Incentive
2 Program that you just spoke about, Mr. Dudley.
3 Could you explain to me how the minimum and
4 maximum thresholds work for the summer and
5 winter peak demand savings? Is that a
6 threshold that says, if the summer peak demand
7 savings is expected to be a thousand megawatts,
8 a thousand megawatt-hours, or whatever the
9 target is, they have to achieve 65 percent of
10 that goal to qualify for the Performance
11 Incentive?

12 A (Dudley) They have to meet 65 percent of the
13 savings goal for that, yes. The two -- the two
14 thresholds are different. The 65 percent is
15 the minimum threshold at which PI begins. The
16 125 percent is the cap on Performance
17 Incentive, how much Performance Incentive you
18 can earn within that category. And that hasn't
19 changed. It's still 125 percent under the
20 current formula.

21 Q So, does that mean that they get -- they get a
22 reward if they only achieve 65 percent of the
23 goal?

24 A (Dudley) They have to reach 65 percent before

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 PI kicks in.

2 Q I don't understand what the difference is. Do
3 they get a Performance Incentive if they reach
4 65 percent or more of the goal?

5 A (Dudley) Yes.

6 Q Okay.

7 A (Dudley) Anything below that, of course, no
8 Performance Incentive is earned.

9 Q Right. And is one of the primary changes of
10 Performance Incentive that the benefit/cost
11 ratio is now a threshold, rather than part of
12 the formula?

13 A (Dudley) Yes. That's correct. Before, it was
14 an actual component of the calculation, and now
15 it is a threshold that has to be met. One of
16 the thresholds, I should say.

17 Q And another change is that we're looking at
18 this based on a utility's portfolio, with
19 commercial and industrial and residential
20 programs in one place that has to meet a
21 benefit/cost ratio greater than one?

22 A (Dudley) All told, taken altogether, the
23 benefit/cost ratio has to be one to one.

24 Q Okay.

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 A (Dudley) Whereas before, it was -- the current
2 formula was based on the sector approach, where
3 it's divided between sectors. Under the new
4 methodology, it's the whole portfolio.

5 Q Now, I understand, and this is probably for the
6 Utilities, that that's an important change,
7 correct me if I'm wrong, because it allows you
8 to implement low income programs, which
9 generally don't have a benefit/cost ratio of
10 greater than one, is that correct?

11 A (Downs) The Low Income Programs actually have
12 generally achieved a benefit/cost ratio of
13 greater than 1.0, meaning they're
14 cost-effective. But the conversation within
15 the PI Working Group looked at Low Income
16 Programs and how to make sure that they -- that
17 we're able to spend the budgeted funds for
18 those. And one of the mechanisms for doing
19 that was to allow the portfolio view, which
20 allows for greater flexibility within the low
21 income sector programs as cost-effective
22 becomes more difficult over time.

23 Q So, what do you think you'll add to the Low
24 Income Programs that doesn't have a stand-alone

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 cost/benefit ratio of one?

2 A (Downs) So, with the low income customers in
3 particular, there tend to be more
4 pre-weatherization barriers to performing the
5 insulation and air-sealing and other activities
6 that help make the home more efficient. Such
7 as a leak in the roof, or there may be some
8 minor repairs that need to be done that don't
9 necessarily save energy directly. And when
10 we -- when the contractors come across these
11 homes, if there's too much of that
12 pre-weatherization barrier, they may have to
13 walk away, because the home as a whole will not
14 be cost-effective. And, so, this will allow us
15 to do more of that minor repair and upgrade to
16 make it possible for the weatherization
17 measures to be effective. And, so, that will
18 allow us to turn away fewer homes and to serve
19 more customers.

20 Q So, you're going to spend money from the SBC to
21 fix those barrier problems. Is there somebody
22 that's going to be watching out to say "well,
23 that really is too much to spend on that one
24 home"? Or, how do you figure that out?

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 A (Downs) Absolutely. And that was actually one
2 of the -- part of the discussion that we had in
3 the working group with the low income advocates
4 in the room. And we are concerned that there
5 be some limit to -- there had been discussion
6 of exempting low income programs from
7 cost-effectiveness altogether. And it was
8 actually, I believe, more the Utility
9 representatives that were like "That's not
10 necessarily a good idea. We want to have some
11 limits." And having the -- in order to make
12 sure that we're not just giving free rein to go
13 out and, you know, do any home.

14 So, there's still going to be a lot of
15 management on the part of the Utilities to
16 ensure that the funds are being used
17 appropriately. But it will give us more
18 flexibility to have the perform -- to have the
19 benefit/cost ratio calculated at a portfolio
20 level, it will give some more leeway to both
21 the program managers and the Community Action
22 Agencies to go a little further in some of
23 those pre-weatherization barriers, or replacing
24 windows that might be cracked, or doors that

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 are leaky, but aren't, on their own,
2 particularly cost-effective.

3 Q So, did you set a limit? Or, is it something
4 "you'll know it when you see it"?

5 A (Downs) I don't believe that we did, in the PI
6 Working Group, set a limit. But I believe
7 that's one of the elements that's part of the
8 program management that is done with the
9 utility program managers, in conjunction with
10 the Community Action Agencies, that are our
11 agents, essentially, for doing this work.

12 Q So, will you look at it case-by-case or will
13 you just wait until you've spent the money
14 that's allocated to the programs, and then the
15 next home doesn't get funded?

16 A (Downs) I don't think that's been determined
17 yet. But I think it would be on a program
18 manager or a utility basis.

19 Kate, do you want to add?

20 A (Peters) Yes. I just want to add, and I agree
21 with everything that Mary has said. Every job
22 is looked at on a case-by-case basis as it
23 comes through. The Community Action Agencies
24 submit to the utilities a proposal for each job

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 that they're going to do, and we need to
2 approve that proposal before they do the work
3 and expend the dollars. So, the program
4 managers are charged with reviewing each job.

5 We have not set a specific -- we have not,
6 for instance, said that the benefit/cost ratio
7 for the program as a whole should be a
8 particular number at or below one. I think the
9 intention is still to try to achieve one. The
10 intention is to -- excuse me. The intention is
11 to try to achieve a benefit/cost ratio of one
12 for the programs. But this change to the
13 Performance Incentive means that the
14 residential sector, as a whole, the Low Income
15 Program is a large portion of the residential
16 sector, and it is a lower B/C program, even
17 when it is above one. And, so, this change to
18 the Performance Incentive essentially means
19 that the residential sector does not have to
20 alone kind of carry that Low Income Program,
21 it's the whole portfolio. Which makes sense,
22 because the funding for the Low Income Program
23 also comes from the whole portfolio. The C&I
24 sector and the residential sector both

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1 contribute to that 17 percent of budget for the
2 Low Income Program.

3 So, we're kind of looking at it at a
4 portfolio level, both with budgeting the funds
5 for low income and with the B/C at portfolio
6 level.

7 Q I have a question, it's not related to the
8 Performance Incentive plan, but you just
9 mentioned the "17 percent". And I know that --
10 I think that it was supposed to -- the low
11 income portion of the budget was supposed to be
12 17 percent, and then the law changed and said
13 that you have to spend 20 percent of the SBC
14 funds. Does that equate to about 17 percent of
15 the -- is that just coincidence?

16 A (Peters) It does. So, there are a couple of
17 factors that go into determining the low income
18 budget. One is the law that just passed saying
19 that 20 percent of the System Benefits Charge
20 funds should go to that program. There is also
21 a law regarding RGGI funds, and at least
22 15 percent of the RGGI funds need to go to that
23 program. So, those are two funding sources
24 that are kind of noted by law how much should

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1 go towards those programs.

2 The settlements between the Parties have
3 indicated that we all agree at least 17 percent
4 of the total budget should be for the Low
5 Income Programs. And, so, if you add together
6 both the RGGI portion and the SBC portion, you
7 see if that meets 17 percent of the total
8 budgets. If it does, you're all set. If it
9 doesn't, you would then add some additional
10 funding, either additional SBC funds or funds
11 from the Forward Capacity Market, to make sure
12 that the Low Income Program has a budget that
13 is at least 17 percent of the total program
14 budget.

15 And there is one more element, if I may.
16 We, based on the 2019 Settlement, also have an
17 agreement that, if program funds for the Low
18 Income Program were not spent in a calendar
19 year, we would then carry those funds over for
20 the low Income Program specifically. So, there
21 could be also added to that 17 percent
22 carryforward funds from a previous year, if
23 they were underspent in that program.

24 Q So, are the carryforward funds in addition,

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1 would they be in addition to the 17 percent of
2 the budget?

3 A (Peters) Yes, they will be.

4 Q So, when the law changed, did that require you
5 really to make any changes to the budget, since
6 you had already planned for 17 percent of the
7 budget to be for low income? How much more --

8 A (Peters) Yes.

9 Q -- needed to be added to the low income budget?

10 A (Peters) It did require a couple changes. And
11 we looked at this on an individual utility
12 basis. Each utility sets a budget for the Low
13 Income Programs. So, when the law changed, we
14 did an analysis, and this was part of the
15 reason for the November 1st filing, was to
16 correct these numbers based on the law change.
17 So, the Eversource Low Income Program budget
18 increased by \$33,000, just over \$33,000.

19 Q Can you tell me where that is in the filing,
20 just so I can see it?

21 A (Peters) The budget in the filing is -- hold on
22 just a moment. I'm going to get the page
23 reference.

24 Q Fifteen (15) through 18 in your original

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 filing -- I mean, in the --

2 A (Peters) So, I think one of the easiest ways to
3 reference the program budgets by utility is in
4 Attachment C, which is, in the November 1st
5 filing, is Bates Page 051.

6 So, you can see there the Home Energy
7 Assistance budgets for each utility. For
8 Eversource, that budget that's reflected in the
9 November 1 filing is 33,000 plus dollars
10 greater than what was reflected in the
11 September 13th filing.

12 Q And the Home Energy Assistance is the low
13 income part of the whole Plan?

14 A (Peters) That is correct. Yes.

15 Liberty Utilities had no change to the
16 Home Energy Assistance budget. When we did the
17 review, their budget was not impacted. Until
18 had no change to their Home Energy Assistance
19 budget. And then, the New Hampshire Electric
20 Co-op, our review indicated that they needed to
21 increase the Home Energy Assistance budget by
22 63,400 plus dollars. So, that is an increase.

23 Q Okay.

24 A (Peters) And I'll just add, and I apologize for

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 the complication, because I just mentioned
2 Attachment C, at Bates 051 of the November 1st
3 filing, the New Hampshire Electric Co-op budget
4 that you see there for Home Energy Assistance,
5 "835,059", was actually an error. The actual
6 Electric Co-op budget for Home Energy
7 Assistance is \$3,417 higher than that. And
8 that has been reflected in Attachment B to the
9 Settlement, we've made that correction. So, I
10 will tell you the final number for New
11 Hampshire Electric Co-op. And this is Bates
12 Page 024 of the Settlement. The final budget
13 for the New Hampshire Electric Co-op is
14 "838,773".

15 CHAIRWOMAN MARTIN: Commissioner
16 Giaimo.

17 CMSR. GIAIMO: Sorry for
18 interrupting.

19 WITNESS PETERS: Uh-huh.

20 BY CMSR. GIAIMO:

21 Q But, if I go to Page 25, Bates 025, I think
22 this is on point, we're talking -- the chart
23 says "Annual Home Energy Assistance Program".
24 And I just want to hear a little more specifics

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 about this. And maybe you could tell me if I'm
2 reading it properly or not. The initial 2020
3 budget was 10.6 million, updated to
4 11.5 million?

5 A (Peters) Yes. The column labeled "Original"
6 there is actually reflecting the original 2020
7 budgets from the three-year plan that was filed
8 in 2017.

9 Q Okay. So, but still understanding that, maybe
10 you can help explain a little more the kilowatt
11 savings anticipated was 1.3 million, with a
12 budget of 10.6. But then we fast forward, with
13 an additional million, the kilowatt savings is
14 down to 1.37?

15 A (Peters) Is slightly lower. So, the electric
16 savings from this program are fairly minimal.
17 They come mostly from lighting measures and
18 some refrigeration or other measures. And the
19 assumptions for the lighting savings have
20 changed since 2017. The lighting market has
21 been evolving. So, the electric savings for
22 this program are slightly lower in this update.
23 If you look at the MMBtu savings, so, this
24 program primarily saves fossil fuels, propane,

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 oil, wood, heating fuels, there are also
2 electrically heated homes in here, the MMBtu
3 savings have gone up with the higher budget
4 reflected.

5 Q Okay. But the delta is mostly explained
6 through lighting?

7 A (Peters) The delta for the kWh savings is
8 mostly explained through lighting.

9 CMSR. GIAIMO: Thank you. Thanks.

10 BY CMSR. BAILEY:

11 Q Okay. I'm going to go back to some original
12 goals of the Plan. The original goal of the
13 Plan was to get electric savings of 3. -- up to
14 a total of 3.1 percent reduction of 2014 sales.
15 And what did you achieve in 2018 overall?

16 A (Peters) I do not have in front of me the final
17 filings for 2018. So, I would need to, I
18 think, double check that. I don't have that
19 number off the top of my head.

20 Q Okay.

21 A (Peters) We achieved the goals, I know. I
22 think we surpassed the goals for 2018. But I
23 don't know the exact percentage.

24 Q Okay. And you gave me an update for 2019, and

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 I appreciate that. Thank you. What do you
2 think your total savings for 2019 will be, if
3 you get everything that you expect?

4 A (Peters) I believe it will be quite close to
5 the goal, perhaps a little bit over. So,
6 slightly over the goal would be my projection.
7 And a lot of that depends on exactly the
8 projects that close here in December.

9 Q Okay. And can anybody speak to the gas
10 savings?

11 A (Downs) I believe that, over the three years,
12 we will be over the EERS goal that was set back
13 in 2017 for the three-year Plan. But, again,
14 we've got an entire another year to go, and
15 2019 is not set yet. But I think we are on
16 track to meet the goal.

17 Q Do you know what 2018 was? Was it over?

18 A (Downs) We were over. I'm looking at my
19 colleague from Liberty, and we were over the
20 goal, collectively, between the two companies.

21 Q But you don't know what the cumulative savings
22 to date is?

23 A (Downs) I do not. I'm sorry.

24 Q Do you know what the cumulative savings to date

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 for electric is?

2 A (Peters) I don't have that number. We could
3 get it.

4 CMSR. GIAIMO: A follow-up to the gas
5 question.

6 BY CMSR. GIAIMO:

7 Q There was savings met in 2018?

8 A (Downs) Yes.

9 Q And it sounds like they were significant?

10 A (Downs) I don't have that off the top of my
11 head. I'm sorry. I wasn't prepared for the
12 question.

13 Q Is it -- and you said, cumulatively, between
14 2018 and 2019, there should be savings?

15 A (Downs) I actually intended to say that, for
16 the three-year Plan, we should be -- we were
17 anticipating meeting or exceeding the goal that
18 was established.

19 Q So, is it possible that the 2019 year would not
20 exceed the goal, but would be buoyed by the
21 2018 performance?

22 A (Downs) That is possible.

23 CMSR. GIAIMO: Okay. Thank you.

24 BY CMSR. BAILEY:

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Q Is that what you expect?

2 A (Downs) Yes. I think it's important to note
3 that we, while we have a three-year plan, we
4 tend to be focused on each individual year, for
5 both budgets and for savings. So, it's
6 interesting to get these questions, because,
7 and, frankly, I am not prepared to answer them,
8 because we are thinking more about 2018
9 distinct from 2019, which is distinct from
10 2020.

11 But I do believe that our performance over
12 the term is on track, and that we will be
13 exceeding the goal between 2018 and 2019.

14 Q You'll be exceeding the goal, the 2019 goal?
15 Or, you think you'll be exceeding the goal, if
16 the goal was 1.45 for 2018 and '19 cumulative,
17 you will exceed that at the end of 2019?

18 A (Downs) I feel like I'm reading tealeaves here.

19 Q Okay.

20 A (Downs) So, I believe that, for Unitil, I can
21 speak for us, that we will be exceeding our
22 2019 goal. I believe we exceeded our 2018
23 goal. And 2020, we've made a plan that we
24 intend to follow, but it's not done yet.

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Q Okay. I guess my -- the reason for my
2 questions is it seems like we need to increase
3 the SBC rate to, I think I read somewhere, it's
4 going to -- well, not just the SBC rate. But,
5 if you increase the -- yes, sorry, it is the
6 SBC rate, with all four components, it's about
7 98 cents per month for electric customers,
8 which is \$12 a year, an increase, and it's \$12
9 a year in rates, is that right, the bill? It's
10 like 98 cents, something like that.

11 A (Peters) Just the rates attachment has a
12 projected cost.

13 Q Oh, maybe I should wait for the rate panel.
14 But what I'm trying to convince myself of is,
15 if we -- do we need to spend more money to
16 achieve the goal that we've set in the
17 three-year Plan, if you already have a
18 schedule?

19 A (Peters) So, each year of the three-year Plan
20 anticipated increased savings and an increased
21 budget to achieve those increased savings. So,
22 the savings goal for electric in 2018 was
23 0.8 percent of 2014, up to 1 in 20 -- 1 percent
24 in 2019 --

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 *[Court reporter interruption.]*

2 WITNESS PETERS: I'm sorry.

3 **CONTINUED BY WITNESS PETERS:**

4 A (Peters) So, each year of the three-year Plan
5 anticipated increased savings. For 2018, it
6 was 0.8 percent of 2014 sales; for 2019,
7 1.0 percent; I think now, for 2020, 1.3. And,
8 so, there are associated increasing budgets for
9 each of those three years to achieve the
10 increased savings in each year.

11 BY CMSR. BAILEY:

12 Q And my question is, if the overall goal is to
13 get to 3.1, and you're already at 2.0, let's
14 just say, to make it easy. So, then, you need
15 to get 1.1 more and you have a budget for 1.3
16 more?

17 A (Peters) We are looking at achieving each
18 year's goal individually with each update
19 filing and setting the budgets accordingly. We
20 did not, as utilities or as a group, go back to
21 see kind of, of the three-year goal, how much
22 have we already achieved and look at, if we've
23 overachieved in the first two years, cutting
24 back the goal for the third year to stay within

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1 that. We've left the goal for the third year
2 at 1.3 percent. Which I think was the original
3 intention, was that each year would have a goal
4 associated with it.

5 Q But didn't, Ms. Downs, you just respond to a
6 question of Commissioner Giaimo that you might
7 have to net out the 2019 target with the 2018
8 target to stay on track?

9 A (Downs) I remember answering that question, and
10 I maybe misinterpreted it. I believe that I
11 understood the question to be asking "over the
12 three years, would we meet the three-year
13 target?" And my answer was meant to reflect
14 that, yes, even though we may, you know, be a
15 little under in one year or a little over in
16 another. I also clarified that we do view each
17 year independently, both in terms of the goals
18 and the budgets. And that's also related to
19 how the Performance Incentive is set up each
20 year, is individually analyzed and evaluated.

21 So, if we are even theoretically short in
22 one year, we're not actually making up for it
23 in another. It's just it's a new year, and
24 it's its own -- it's compared against its own

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1 goals and budgets.

2 Q Okay.

3 A (Downs) I would also add, if I might, that the
4 group effort, the group process, is to achieve
5 as much as possible in any new year, even if we
6 overachieved in a prior year. It's not like a
7 zero-sum game. We're really aiming to achieve
8 as much energy efficiency as we can with the
9 budgets that we have in any given year.

10 Q Do you take a look at how much you -- let's do
11 an exercise. Does anybody know how much was
12 actually spent in 2018 for the electric
13 programs?

14 A (Peters) I don't have that off the top of my
15 head. I'm sorry. We should have brought the
16 2018 documents with us, and we did not.

17 Q And we don't have 2019 yet. So, we can't
18 answer that question. But what I'm thinking of
19 looking at is how much you spent in 2018, how
20 many kilowatt-hours of savings you had, and
21 what the cost was per kilowatt-hour?

22 A (Peters) I could say that, for Eversource, we
23 underspent our budget in 2018, and we
24 overachieved on our savings. What those exact

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1 numbers are, I do not have them in front of me.
2 But that is the big picture.

3 So, we met the savings target probably
4 earlier in the year. But we continued to work
5 with customers to do projects and achieve
6 additional savings, even though the savings
7 target had been met.

8 And, really, on timing, as I was
9 mentioning at the beginning, a lot of the large
10 projects that we work on with our commercial
11 customers tend to close at the end of the year.
12 And, so, a lot of those savings come in during
13 the December close. So, even if we were going
14 to go over the savings target, you may not know
15 exactly how much until you reconcile all the
16 numbers, which is why we file our end-of-year
17 filings in June. We take time to review all of
18 the bills that we have paid, all of the
19 projects, all of the associated savings with
20 those projects.

21 So, I think it would be difficult, even if
22 we wanted to, to do an analysis mid year and
23 make a decision about whether or not we were
24 going to achieve the goal and whether or not we

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1 were going to continue, you know, spending or
2 not. I think our approach is to utilize the
3 budgets and to work with our customers to
4 achieve projects and savings. And then, we
5 keep an eye very closely on whether we think
6 we're going to meet the target. But we don't
7 have an approach where we would kind of pull
8 back, if it looked like we were going to exceed
9 the target.

10 Q Well, I'm just trying to come up with a cost
11 per kilowatt-hour of this Plan.

12 A (Peters) Yes.

13 Q So, if I went back and look at the -- if I go
14 back and look at the June -- the report that
15 was filed in June of 2019 for 2018, and I look
16 at how much you actually spent, --

17 A (Peters) Uh-huh.

18 Q -- and divide it by the kilowatt-hours that you
19 achieved, that would give me the cost per
20 kilowatt-hour of the 2018 Program?

21 A (Peters) Yes.

22 Q All right. Can somebody do that?

23 CMSR. BAILEY: Can we take a record
24 request?

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 CHAIRWOMAN MARTIN: Sure.

2 [Record request taken.]

3 WITNESS DOWNS: We should be able to
4 do that fairly quickly.

5 I will remind everyone of what Kate
6 was talking about earlier with the HEA Program,
7 however, in that -- and the Home Performance
8 Program, in that the programs are designed to
9 save not only kilowatt-hours, but they're also
10 designed to save MMBtus. And that a lot of the
11 effort, particularly on the residential side,
12 is aimed at making homes more efficient,
13 regardless of whether it's electricity or
14 fossil fuels or wood that is being consumed.
15 And, so, a strict dollar per kilowatt-hour
16 is -- just keep in mind that that's only part
17 of the story.

18 It's also we're providing education.
19 We're providing evaluation of programs. We're
20 saving fossil fuels. So, it's a portfolio
21 approach.

22 BY CMSR. BAILEY:

23 Q So, if the cost came out to be 12 cents a
24 kilowatt-hour, and we could buy energy for 8

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 cents a kilowatt-hour or six cents a
2 kilowatt-hour, you're saying that it's still
3 cost-effective, because of other things that --
4 A (Downs) Correct. It's cost-effective using the
5 Avoided Energy Component Study benefits or
6 avoided costs that are calculated on a net
7 present value basis, yes.

8 Q Okay. Do you think that, if we take a break,
9 you can figure out what the cost per
10 kilowatt-hour was and maybe the cost per MMBtu?
11 Or, would you rather take it as a record
12 request?

13 A (Peters) I think I'd like to take it as a
14 record request, if that's possible. If you'd
15 prefer to have it now, we will take the break
16 and work to have it now.

17 And just to note, we do include for the
18 2020 Plan a program cost per lifetime
19 kilowatt-hour savings projection. It's on
20 Bates Page 009 of the November 1 filing. And
21 that is 0.037. And, so, the 2018 cost per
22 kilowatt-hour would be nothing close to 12
23 cents. It would be probably lower than that
24 0.37.

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1 And the dynamic that Mary was talking
2 about, it actually -- so, for those same
3 dollars that have achieved those electric
4 savings, that same budget has also achieved
5 additional MMBtu savings, education, marketing,
6 EM&V review of the program plans. So, we are
7 getting all of those additional things for the
8 same budget that is also achieving the
9 kilowatt-hour savings.

10 Q Is there a difference between kilowatt-hour
11 savings and the cost per kilowatt-hour? If I
12 take the budget, which is, what, 60 some
13 million dollars, --

14 A (Peters) Yes.

15 Q -- just for 2020, --

16 A (Peters) Uh-huh.

17 Q -- and I divide by the expected number of
18 kilowatt-hour savings, which is 140,000
19 megawatt-hours, is that right?

20 A (Peters) Yes. You could use either -- we used
21 the lifetime savings when we did that
22 calculation on Page 009. Yes.

23 Q But, if I want to find out what the cost per
24 kilowatt-hour is, that's different than the

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1 savings number, isn't it?

2 A (Downs) Well, the cost per kilowatt-hour
3 savings is obviously going to be different than
4 the kilowatt-hour savings. But I'm not sure I
5 understand the question.

6 Q Ms. Nixon.

7 A (Nixon) Maybe one of the clarifications is,
8 when you put a measure in, the Plan estimates
9 what the annual savings will be, but it also
10 projects over the life of that measure what the
11 lifetime savings will be.

12 So, that 3 cents that Ms. Peters referred
13 to is what the cost is over the lifetime of
14 that measure. So, it's the dollars -- well,
15 it's 3 cents percent -- 3.7 cents per
16 kilowatt-hour over the lifetime of those
17 measures in that program. Where the
18 kilowatt-hour savings is the actual
19 kilowatt-hours you're saving.

20 A (Downs) Yes. The distinction is between the
21 one-time annual savings versus the savings that
22 will be realized each year that that efficient
23 measure is in service.

24 Q Okay. Let's move onto the funding and budget

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 information found on 15 through 18 in
2 Exhibit 22.

3 BY CMSR. GIAIMO:

4 Q Ms. Peters, I think this question is for you.

5 A (Peters) Uh-huh.

6 Q And, so, we were just on Bates 009. And it
7 shows that the 2019 Update had an annual
8 savings target of 1 percent?

9 A (Peters) Correct.

10 Q And, in 2020, it's 1.3 percent, with a cost of
11 \$65 million?

12 A (Peters) Uh-huh.

13 Q You were at the Study Commission meeting a
14 couple weeks back, and this got brought up.
15 And, at that Study Commission, there was a
16 reference to the state's ranking with respect
17 to energy efficiency nationally. And there
18 were many questions by the Commission, which is
19 composed of state legislators, as well as state
20 agency heads. And the question was "what can
21 we do to improve the state's ranking?"

22 And the suggestion was that if you
23 increased your annual savings up to the
24 1.5 percent range, you could see a bump. It

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1 wasn't determined how big a bump, but you would
2 see a bump.

3 So, I guess I have two questions. My
4 first question is, how big a bump will we see
5 with the 1.3 percent savings? And what would
6 you foresee us seeing if we were to go towards
7 a 1.5 number? And how much would that cost?

8 A (Peters) Right.

9 Q And that's a lot of stuff to lay on you.

10 A (Peters) Certainly.

11 Q So, I thank you for answering it.

12 A (Peters) So, that ACEEE scorecard that you're
13 referring to is something that comes out every
14 year, and the organization, ACEEE, ranks all of
15 the states against each other. New Hampshire
16 was Number 20 this year in that ranking.

17 That ranking consists of a review of
18 energy efficiency programs, as well as a number
19 of other topics, such as transportation and
20 transit, state building codes, and several
21 other things. So, the portion that looks at
22 energy efficiency programs is the portion of
23 the score that we could impact by changing the
24 savings targets. The most recent rankings

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1 where we're Number 20 were looking at the 2018
2 program years, where our goal was 0.8. So, and
3 they look at both the energy savings achieved,
4 and those rankings include scoring for dollars
5 spent on the programs. I guess ACEEE considers
6 that an indication of how much the state is
7 doing. And, so, if we increased both our
8 savings and increase our budget, we could
9 expect higher scores for those increased
10 savings and increased budget.

11 What we have no control over is what other
12 states are also doing at the same time, because
13 they're ranked against each other. So, keep
14 that in mind.

15 I think our initial analysis is that, if
16 we were achieving, you know, a 1.5 percent
17 savings, it would increase our score for the
18 savings portion, and the budget needed to
19 achieve those savings would also need to
20 increase, so, it would increase the score on
21 the budget portion, probably by four or five
22 points an increase in that particular portion
23 of the scoring. So, we could expect, I think,
24 to see a bump in where we stand in the national

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1 rankings.

2 It is hard to project exactly how big that
3 bump would be, because it depends on what the
4 other states are doing at the same time.

5 A (Downs) Can I also note that those rankings
6 also take into account fossil fuel savings.

7 CMSR. GIAIMO: Okay.

8 CMSR. BAILEY: Can I ask a follow-up?

9 CMSR. GIAIMO: Yes. Please.

10 BY CMSR. BAILEY:

11 Q Is a four or five point increase in your score
12 significant?

13 A (Peters) In terms of the ranking? It's
14 probably, if our score were four or five points
15 higher in this current ranking than it is, I
16 think we would probably be around 16 or so,
17 instead of 20 on the rankings, all things
18 remaining equal with the other states.

19 So, it is a significant portion. But the
20 scores related to transportation and other
21 sectors are also important in terms of that
22 overall ranking.

23 CMSR. GIAIMO: Thank you for the
24 answer.

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1 CMSR. BAILEY: All right.

2 CHAIRWOMAN MARTIN: Off the record.

3 *[Brief off-the-record discussion*
4 *ensued.]*

5 CHAIRWOMAN MARTIN: Back on the
6 record.

7 BY CMSR. BAILEY:

8 Q All right. Let's go back to the funding and
9 budget tables in Pages 15 through 18. So, what
10 was the budget for 2019? I don't think that's
11 here.

12 A (Peters) Page 9 has the 2019 budget. So, for
13 electric, it was "47,079,203".

14 Q Could you say that again so I could write it on
15 Page 15?

16 A (Peters) Yes. "47,079,203". Do you want the
17 gas budget for 2019 also?

18 Q Sure.

19 A (Peters) It was "9,896,499".

20 Q Nine eight --

21 A (Peters) "9,896,499". And that was the --
22 those are the program budgets. Those do not
23 include the PI for 2019. So, the actual
24 funding would be 5.5 percent higher.

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1 Q Oh, that's what the difference between "budget"
2 and "funding" is?

3 A (Peters) Correct.

4 Q Okay. So, I want to talk a little bit about
5 the carryforward numbers.

6 A (Peters) Uh-huh.

7 Q The difference between the 2019 budget and the
8 2020 budget is about \$3 million, right? If you
9 look at the table on -- maybe I should ask you
10 if I'm looking at the right table. But I'm
11 looking at the table on Page 15.

12 A (Peters) Uh-huh.

13 Q And the total at the bottom in 50 million, and
14 you said that the budget in 2019 was
15 "47 million", is that right?

16 A (Peters) So, that 50 million is Eversource only
17 on Page 15.

18 Q Okay.

19 A (Peters) The total budget is "69,302,573".
20 That's the number. That's the funding. So,
21 again, we just talked about the difference
22 between "funding" and "budget".

23 Q Right.

24 A (Peters) So, that's the funding number for

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1 2020.

2 Q So, the budget numbers are on Page 18?

3 A (Peters) I think the budget numbers are on,
4 yes, Page 18. So, the budget that compares to
5 that 47 million number from 2019 is
6 "65,691,434".

7 Q Okay. So, that's like an \$18 million increase
8 in the budget between these two program years?

9 A (Peters) Yes.

10 Q Okay. And, originally, in the three-year Plan,
11 there was going to be about a \$15.7 million
12 increase in the budget between 2019 and 2020.
13 Will you take that subject to check?

14 A (Peters) I will, yes.

15 Q Okay.

16 A (Peters) I believe you. I don't have the
17 numbers in front of me.

18 Q Okay. All right. So, why do we need an
19 \$18 million increase? Is that because of the
20 carryforward or --

21 A (Peters) The differences are likely due to
22 carryforward, which, if you look at Page 15,
23 you'll see across the Utilities totally there
24 was a \$2.8 million carryforward. There was

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 also some carryforward from the HEA Programs
2 for some of the Utilities.

3 The 2019 Settlement included an agreement
4 between the Parties that we would use, for the
5 2020 Plan Update, an SBC rate that we had used
6 to create the 2020 budget estimate in the
7 original three-year Plan filing. So, in the
8 three-year Plan filing, there was a budget for
9 2020. The SBC rate that we used to project
10 that budget was the same SBC rate that we have
11 used here in this filing. The differences come
12 from carryforward and interest, potentially
13 differences in sales projections, because, in
14 2017, we were kind of projecting out further,
15 and now we're projecting for 2020 a little
16 closer to the date. And possibly changes in
17 our projected FCM market funding, and RGGI
18 funding. RGGI funding has stayed fairly
19 stable, but -- so, there are a couple elements
20 that go into kind of projecting the budget.

21 Q Okay. So, I think what you just said I can
22 interpret to mean that we are not paying twice
23 for the carryforward, because we've already
24 collected money in 2019 for the carryforward?

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1 A (Witness Peters nodding in the affirmative).

2 Q So, that was my original concern. We're not
3 going to collect that again, --

4 A (Peters) No.

5 Q -- because it's included in the budget for
6 2020?

7 A (Peters) Right. And the carryforwards actually
8 come from 2018. They're 2018 carryforwards.
9 So, we've reconciled 2018, both using our
10 actual sales and the SBC rate and the actual
11 spending for the programs. And the
12 carryforward that you see reflected on Page 15
13 comes from that program year, and gets added to
14 the 2020 budget for funding.

15 CMSR. BAILEY: Okay. Commissioner
16 Giaimo, did you have a follow-up?

17 CMSR. GIAIMO: I did have a quick
18 question about the FCM revenues.

19 WITNESS PETERS: Uh-huh.

20 BY CMSR. GIAIMO:

21 Q I'm just hoping you might be able to explain
22 the deviation from Chart 1-9, or Table 1-9, and
23 Table 1-10 on Bates 015.

24 A (Peters) Uh-huh.

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Q So, I think there could be one of two factors,
2 or maybe a combination of the two. It could be
3 more energy efficiency clearing the auction
4 than initially anticipated, and/or clearing
5 prices clearing higher than anticipated. Do
6 you know which of the two? Or, is that
7 something better for the rates panel?

8 A (Downs) Projecting what your Forward Capacity
9 Market revenues are going to be is challenging.
10 And, so, some of the Utilities, and I don't
11 know which, but Unitol participates not only in
12 the annual Forward Capacity Market Auction, but
13 also in the reconfiguration auctions, and that
14 can generate additional revenues.

15 There are multiple periods, with multiple
16 closing prices, and multiple resources that all
17 have different dollar amounts. So, projecting
18 the revenues for a given year three years in
19 advance, or even a year in advance, can be
20 challenging.

21 Q Right. I understand. It's not as simple, and
22 you're participating in the annual
23 reconfiguration auctions, which deviate from
24 the clearing price in the primary auction.

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1 A (Downs) Right.

2 Q So, I understand.

3 A (Downs) And there's also generally additional
4 revenue, because you had more than you had.
5 You conservatively estimated, because you don't
6 want to -- you don't want to bid in more than
7 you can actually deliver. So, if you have
8 excess, you participate in the reconfiguration
9 auction and get additional funds.

10 Q It's hard to believe, but I understand.

11 A (Downs) Okay.

12 CMSR. GIAIMO: Thank you.

13 BY CMSR. BAILEY:

14 Q Ms. Peters, can you take me through the HEA
15 budget and the carryforward that you just
16 mentioned? Tell me where that is, because I
17 saw a table and I had a question on it, and I
18 can't remember.

19 A (Peters) There is -- one second. So, on Bates
20 Page 022, there's a little table that shows the
21 HEA carryforwards.

22 So, as we were discussing earlier, there
23 are a number of components that go into
24 calculating the HEA budget. There are

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 legislative directives that we follow regarding
2 percentages of certain funding sources. And
3 then, we have an overall agreement that
4 17 percent of the program budgets will go
5 towards the HEA Program. These carryforwards
6 that are indicated, these are -- these come
7 from a prior year HEA budget where not the
8 whole budget was spent. And, so, therefore, we
9 have agreed to carry forward that budgeted
10 portion that was intended to go to the low
11 income community into a future year.

12 And, so, these carryforwards indicated are
13 then added on top of the 17 percent that's
14 calculated for 2020.

15 Q Okay. Thank you. These questions, the
16 remaining questions that I have I think are
17 specific about specific programs.

18 So, for Eversource, can you tell me how
19 much was spent on the Home Energy Reports that
20 you are proposing to discontinue?

21 A (Peters) One moment. I think I do not have
22 that number in front of me. One second, I'm
23 just looking for it.

24 Oh, I do. So, the Home Energy Reports

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 budget that was included in the September
2 filing was "821,196". And that budget has been
3 moved into primarily the Energy Star Products
4 Program. And the savings that were associated
5 with those Home Energy Reports are going to be
6 achieved through measures within that Products
7 Program.

8 Q So, now, the plan is to use that money to sell
9 more light bulbs?

10 A (Peters) Yes. It will go into a number of
11 measures in the Products Program, the largest
12 being the LED lighting. The cost to achieve
13 for Home Energy Reports, in terms of cost to
14 achieve savings, is fairly low. So, we wanted
15 to make sure that, for the same dollars, we
16 were going to achieve the same savings.

17 So, that money went into LED lighting
18 products, room air purifiers, pool pumps,
19 refrigerator recycling, dehumidifiers, heat
20 pump water heaters, ECM motors, refrigerators,
21 clothes dryers, and mini-split heat pumps.

22 Q Are any of those products newly available next
23 year?

24 A (Peters) Those are all measures that are

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1 currently offered, and will be offered again in
2 2020. They're not new items.

3 Q Have those programs been fully used in the
4 past?

5 A (Peters) They have been. When we made this
6 adjustment, we went back to look at prior
7 years, to assure ourselves that we were putting
8 together a plan that we thought would be
9 achievable. And we had seen the Products
10 Program generally over-performing from our Plan
11 in 2018, and our initial numbers also for 2019.
12 And, so, we felt that this shift of funds from
13 Home Energy Reports to Products is one that
14 would both utilize the budget, achieve the
15 savings, and also be achievable in the
16 marketplace in terms of customer demand for
17 these items.

18 CHAIRWOMAN MARTIN: Commissioner
19 Giaimo, did you have a question?

20 CMSR. GIAIMO: I do have some
21 questions on the Home Energy Reports.

22 CHAIRWOMAN MARTIN: Uh-huh.

23 BY CMSR. GIAIMO:

24 Q I don't know where it is. Is there a

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 benefit/cost number associated with the Energy
2 Reports, and is it over one?

3 A (Peters) There was a benefit/cost number
4 associated with them in the September filing,
5 which I only brought the November filing up
6 here with me. It was over one.

7 Q Okay. Is Eversource, Eversource's companywide,
8 moving towards getting going away from the
9 reports?

10 A (Peters) Eversource has determined companywide
11 to cease the contract with the Home Energy
12 Reports vendor and remove those reports from
13 our 2020 programs across all three states.

14 Q Okay. Is the contract such that you would be
15 able to keep one state, if one state wanted to
16 stay in? Or, is it a package deal? I guess
17 I'm wondering, are motivations in other states
18 trickling their way here to New Hampshire?

19 A (Peters) No. No, to the last question. I
20 think we could have considered a state-by-state
21 contract. That's, you know, in some cases, we
22 try to leverage our contracts across all three
23 states, to get better pricing, etcetera, from
24 vendors.

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1 In other cases, because of the program or
2 the particular customer base, it makes sense to
3 have individual contracts with vendors in a
4 state. So, there's that opportunity.

5 The analysis on Home Energy Reports, we
6 were looking at, from a company perspective, at
7 the value that we were receiving from them.
8 Our customers' feedback and reaction to them, I
9 think across all three states, the claimable
10 savings from those reports were seeing a
11 downward trend. And customers were starting to
12 react less positively to them. It's something
13 that, you know, the savings decline over time
14 anyway, because the customer will have a
15 stronger reaction to reduce their usage when
16 they first getting them, *etcetera*.

17 And, so, we kind of looked at all of that
18 as a package together, and thought about
19 whether we wanted to continue this program, and
20 we determined it was time to cease it.

21 And we are going to be looking at other
22 ways that we can engage with our customers over
23 their usage and their behavior. We anticipate
24 probably putting something along those lines in

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1 the next three-year Plan. We have not
2 determined yet what that will look like. It's
3 something that we're currently reviewing and
4 working on.

5 Q Thank you. I think your explanation, with
6 respect to shifting money to the products that
7 have more bang-for-the-buck and the law of
8 diminishing returns associated with the
9 program, make sense to me. So, thank you for
10 that.

11 But I do have a slight follow-up, not a
12 follow-up, but a similar question. I was
13 looking at Ms. Nixon's testimony, and she notes
14 that Northern's Home Energy Report Program has
15 a benefit ratio of 0.83. Is the expectation to
16 keep that for Northern's gas --

17 A (Downs) So, --

18 Q -- customers? Sorry.

19 A (Downs) Yes, it is. When we first filed the
20 three-year Plan, the Gas Home Energy Reports
21 Program had a similar B/C of I think it was
22 0.82 for 2020. We have since been working with
23 Oracle, which is the vendor for this program,
24 and they have been experiencing or they have

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1 been documenting a lower-than-expected gas
2 savings for Home Energy Reports throughout the
3 country, I believe. And, so, they revised
4 downward the estimates of what we could expect.

5 We are really in our first full winter
6 season of Home Energy Reports in New Hampshire
7 this year. We started later than expected in
8 2018. So, we didn't have a full winter, and
9 did not actually end up claiming savings. So,
10 we are still trying to determine how much of
11 that initial reaction we will get. And we will
12 be reporting on that both in the 2019 Quarter 4
13 and Annual Report. And we'll be keeping a
14 close eye on that, because we're also seeing
15 declining returns in the region.

16 Q Okay. So, it's fair to say that, as numbers
17 come in, you'll keep that in mind as you look
18 to the 20 -- the next triennial budget?

19 A (Downs) Yes. Absolutely.

20 Q In light of Ms. Nixon's concerns?

21 A (Downs) Correct.

22 CMSR. GIAIMO: Okay. Thank you.

23 BY CMSR. BAILEY:

24 Q And was that response for both gas and electric

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 or just gas?

2 A (Downs) They are tied together. So, really,
3 the concerns are more on the gas side. But,
4 because there are economies of scale in
5 offering the Home Energy Reports to both our
6 New Hampshire and our Massachusetts customers,
7 where we have, in the Fitchburg area, both gas
8 and electric Home Energy Reports, and the
9 contract that we have with Oracle is kind of
10 dependent on that cost-sharing. It's a --
11 we'll be looking at all of the programs
12 together to see if it continues to be viable in
13 the next triennium.

14 You look puzzled. So, I'm hoping I
15 answered your question.

16 Q Well, I'm just -- do you have a benefit/cost
17 ratio for the Electric Home Energy Reports
18 distinct from the Gas Reports?

19 A (Downs) We have a distinct benefit/cost for
20 electric, but the costs of operating the
21 program are allocated, they're shared and
22 allocated. Yes.

23 Q So, is your experience with the Electric Home
24 Energy Reports similar to Eversource's?

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 A (Downs) Not yet. Eversource has been offering
2 Home Energy Reports in New Hampshire for
3 several years now, and we have just started.
4 So, typically, the way Home Energy Reports
5 work, as Kate mentioned, in the initial phase,
6 it's new, and people are paying more attention,
7 and they're actually taking more action.

8 In the second -- in, well, really the
9 third and fourth and fifth year, that new
10 activity to reduce energy use tends to lessen.
11 And one of the responses that utilities or
12 program administrators can take is to add
13 additional customers, who haven't been
14 receiving those Home Energy Reports, to sort of
15 replenish that new, you know, that new "oh, I
16 got something."

17 So, because our territory is relatively
18 small, compared to other utilities in the
19 region, including Eversource, we don't have as
20 much room to add new customers before we can't
21 do it anymore.

22 Q That was my next question to Ms. Peters. What
23 percentage of your customers were receiving
24 Home Energy Reports? Small, wasn't it?

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 A (Peters) It was small. I believe we had
2 planned for 100 and -- no, 50,000 was the plan.

3 Q Out of how many customers?

4 A (Peters) Out of -- someone is going to help me
5 with our number of customers? 500,000.

6 Q Okay.

7 A (Peters) Thank you.

8 Q So, ten percent?

9 A (Peters) Yes.

10 Q Roughly, ballpark?

11 A *(Witness Peters nodding in the affirmative).*

12 Q So, why not try to target another -- a
13 different ten percent, rather than just get rid
14 of the program?

15 A (Peters) We had considered that. At some
16 point, you do, as Mary noted, kind of run out
17 of new customers. You need -- I'm sorry. You
18 need both a control group, and a group that is
19 getting the reports. So, the group that's
20 getting the reports is one set, but you also
21 need a specific control group that you're
22 comparing them against that does not get the
23 reports. So, that number of customers you need
24 to offer a program is actually larger than just

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 the customers that are getting them.

2 We probably would have had room in New
3 Hampshire to offer a new cohorts of customers'
4 reports. But, like I said, it was based on an
5 analysis, not just of the specific energy
6 savings, which were trending downward, but of
7 overall customer reactions, and kind of just
8 where the marketplace is going.

9 And we think that, with some internal
10 review and planning, we can devise a program
11 for communicating with our customers about
12 their energy usage in a way that is probably
13 more effective for them and for us. That's our
14 hope.

15 Q And you're going to do that in the next
16 triennium?

17 A (Peters) We're looking at that right now, yes,
18 for the next triennium plan.

19 A (Downs) I'll also note that it's important to
20 be targeting the higher-use customers. There's
21 no point in going after the people who are
22 already using, you know, a below average amount
23 of electricity, because you're going to get a
24 marginal decrease, compared to the folks who

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 are above average. So, that's another factor.

2 Q So, that could be something that you might want
3 to look at in the next triennium plan?

4 A *(Witness Peters nodding in the affirmative).*

5 Q Okay. It seems that ten percent of your
6 customers was a very small number that were
7 getting this information. And, so, to just
8 give it up, I don't understand why you're doing
9 that, when the cost/benefit was over one. But
10 I hear what you said.

11 A (Peters) Uh-huh.

12 Q Let's look at the demand response programs.
13 Can you give me a summary of how the Active
14 Demand Response pilots that you tried in 2019
15 worked, and how much the peak -- by how much
16 the peak was reduced, and what you learned?

17 A (Goldman) Sure. I can offer some color on
18 that. So, a lot of that is actually outlined
19 in that Attachment A to the Settlement
20 Agreement. And one of the tables there is
21 labeled "2019 Initial Draft Results". And, so,
22 for -- I'll speak to Eversource. So, the
23 summer kilowatt savings we're seeing was about
24 5 megawatts, which is more or less what we

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1 planned, with a BCR of just over 3.75.

2 One of the things that I think we learned

3 was that it's important to sign up more

4 customers than you actually need for the goal.

5 One of the things that frequently happens is,

6 when you call an event, not every single

7 customer responds. But, as you go through this

8 process, you start to get a feel for what

9 percentage of those customers will respond.

10 So, maybe you need to sign up, you know,

11 110 percent of the goal, to make sure that you

12 get 100 percent of the goal over the course of

13 the season. So, I think that was one of our

14 big takeaways.

15 And, so, one of the things we're trying to

16 do is essentially leverage vendors and software

17 and learnings across our three-state service

18 territory, so we're able to really effectively

19 run this type of program.

20 Q And it looks like you, Eversource, you did

21 achieve the 5-megawatt goal. But, until, you

22 were a little short, because you didn't

23 oversubscribe the program? Is that -- would

24 you say that that was something you learned?

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1 Or, did I read that wrong?

2 A (Downs) I'm not sure it's because we didn't
3 oversubscribe the program. I think we had --
4 this is not -- this might require to come back
5 to it, because I am not as intimately familiar
6 with this, the program design details of the
7 program.

8 Mike, you may actually be able to speak to
9 that, if you feel comfortable with that.

10 A (Goldman) So, without getting into specifics,
11 you know, one of the things we noticed, and
12 this is a more generic --

13 *[Court reporter interruption.]*

14 WITNESS GOLDMAN: Oh, sorry.

15 **CONTINUED BY WITNESS GOLDMAN:**

16 A (Goldman) A more generic comment is, with
17 demand response, so much of it has to do with
18 the individual service territories and types of
19 customers. So, if you're more
20 manufacturing-based, you might be more, say,
21 office building-based, more industrial, that
22 really impacts the types of savings that you'll
23 see, and whether or not those types of
24 customers are good candidates for demand

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1 response.

2 So, without having dug too deeply into the
3 Unitil results specifically, that's something
4 that we do somewhat commonly see.

5 BY CMSR. GIAIMO:

6 Q I'm sorry. So, what I heard you say was the
7 big takeaway is to sign up more than needed.
8 You knew that. You just didn't know how much
9 more you needed? That's a question.

10 A (Goldman) Yes. No. So, I don't want to answer
11 for Unitil. But, for Eversource, we were able
12 to get essentially what we had planned for, the
13 goal number.

14 Q Is there a general rule of thumb that you
15 should get 15 to 20 percent more? Is that what
16 you're comfortable with? Or, is that some sort
17 of proprietary information?

18 A (Goldman) No. It's not proprietary
19 information. I think a lot of that comes from
20 the operational experience. And, again, every
21 service territory is different. So, having had
22 the ability to run this as a demonstration
23 program in 2019, I think that's what gives you
24 the type of information to know that, if I

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1 wasn't successful, hypothetically, in reaching
2 that goal number, that should give me some
3 information to let me know how much I need to
4 enroll on a going-forward basis to make sure
5 that I hit my goal.

6 Q I guess I'd like to talk briefly about
7 expectations with respect to number of times DR
8 was going to be called and number of hours
9 called. I think, when we've had this
10 discussion in the past, the Commission is
11 conscientious of the potential for fatigue.
12 And "fatigue" means, to the extent that I
13 understand it, is it would exacerbate the
14 amount of oversubscriptions you need to
15 actually hit your number. But I'm looking at
16 Eversource's numbers, and it looks like you had
17 three occurrences where you activated DR for
18 three hours. Is that right? And is that
19 similar to what you expected?

20 A (Goldman) Correct. What we try to do is call
21 three to eight times per year, and that's
22 usually what's written into the contracts with
23 customers. And to just -- to your comment
24 about "fatigue", what we try to do is minimize

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1 operational interference. To the extent that
2 we can minimize that operational interference,
3 that's when we get the most participation. So,
4 that's a -- you try to call it as infrequently
5 as possible.

6 Q Great. And Unitil only called it once?

7 A (Downs) I believe that's right. And regarding
8 "fatigue", it is a pay-for-performance. So, if
9 the customer, for whatever reason, can't or
10 doesn't want to respond, they don't have to.
11 They won't get compensated, but that's a
12 calculus they have to take into account.

13 Q There's no penalty for not performing, they
14 just don't receive payment?

15 A (Downs) Correct.

16 Q Okay. So, I guess the million dollar question
17 is, did you hit the peak? Do you know if
18 your -- if your activation was done at the
19 right time to create capacity savings?

20 A (Goldman) Yes. Yes. And that's one of the
21 things that is essentially a complicating
22 factor here, is you don't know when the peak
23 occurred until after the season is over. So,
24 you do have to call it a couple times, or

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1 normally you would call it a couple times, just
2 to make sure that you hit the peak. But, for
3 Eversource, we did hit it.

4 BY CMSR. BAILEY:

5 Q And Unitil hit it in their one time, right?

6 A (Downs) Yes, we did.

7 Q Good job. In Ms. Nixon's testimony, on Bates
8 Page 005, she suggests that a consultant is
9 evaluating demand response in New Hampshire,
10 Mass., and Connecticut, and that preliminary
11 results were going to be available in December.

12 Has anybody seen those preliminary
13 results?

14 A (Goldman) Yes.

15 Q Can you give me a summary?

16 A (Goldman) So, the preliminary results are
17 actually reflective of these 2019 Initial Draft
18 Results in that Attachment A. That's
19 reflective of what came out of that third party
20 evaluation.

21 A (Downs) It's actually a memo, just to be --

22 A (Goldman) Thank you.

23 A (Downs) Yes.

24 Q And what does that say?

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 A (Downs) It's a memorandum, as opposed to a --
2 there's more to come. But we would be happy to
3 share this, if we haven't already.

4 Q Okay. Could you check? And, I mean, to share
5 it with Staff.

6 A (Downs) Sure. I believe Staff has received it
7 through because of participation in the working
8 group.

9 Q Okay. The battery pilot for residential
10 customers that you are suggesting that you try
11 for 2020, you're proposing to enroll 20
12 customers in that?

13 A (Goldman) Correct.

14 Q And those customers you expect will have solar
15 systems, rooftop solar systems, coupled with
16 the batteries?

17 A (Goldman) They may, but it's not a requirement.

18 Q Do you think that any customer is going to buy
19 a battery without a solar system? Is that
20 possible?

21 A (Goldman) It is possible, and we've seen
22 examples of that within our other service
23 territories, yes.

24 Q And what do they use it for?

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1 A (Goldman) Usually, backup power, backup
2 generation, in the case of an outage.

3 Q Okay. And how much does such a storage system
4 cost? I know it depends on how much --

5 A (Goldman) It depends. Roughly, 10 to \$15,000
6 installed.

7 Q For how much capacity?

8 A (Goldman) So, most of these units have a peak
9 kW of, say, 5 to 6, and maybe 13 to 15
10 kilowatt-hours, roughly.

11 Q And if you have a 2,000 square foot home, how
12 many batteries would you need to buy to back up
13 a power outage?

14 A (Goldman) So, that's -- there's not a good rule
15 of thumb for that. Because, when people do
16 this, they don't try to back up the whole
17 house. What you will see is a couple key
18 circuits will be selected. So, maybe your
19 refrigerator, some lights, a couple sockets so
20 you can plug in your phone. So, you're not
21 trying to back up the whole house. You're just
22 trying to get enough to ride through the
23 outage.

24 Q And that would be about -- that would be one

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1 battery?

2 A (Goldman) It could be one battery. Certain
3 vendors suggest two batteries. Again, it would
4 be very site-specific.

5 Q So, if vendors suggest two batteries, then
6 that's going to be 20 to \$30,000 for a
7 homeowner, right?

8 A (Goldman) It could be.

9 Q And your proposal is to dispatch batteries 30
10 to 60 times over a period between June and
11 September?

12 A (Goldman) Correct. Essentially, all
13 non-holiday summer weekdays.

14 Q Okay. That's what I was getting at. All
15 non-holiday summer weekdays. And, so, I guess,
16 if somebody has a solar system, what are they
17 going to be doing with that battery between
18 2:00 and 7:00 p.m., generally? Well, I mean,
19 if the Sun sets -- the Sun sets in that
20 timeframe sometime between 2:00 and 7:00,
21 right?

22 A (Downs) Not in the summer, generally, but --

23 Q Not in the summer. So, they're charging the
24 battery during that period of time?

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1 A (Witness Downs nodding in the affirmative).

2 Q Can you discharge it while they're charging it?
3 Or, are you asking them not to charge the
4 battery?

5 A (Goldman) I'm not entirely certain if you can
6 charge and discharge at the exact same time.
7 But we would be asking them to discharge during
8 that time period. That is the program design,
9 yes.

10 Q So, they wouldn't be able to charge it?

11 A (Goldman) It's possible. We'd have to -- I
12 mean, we would have to look at the inverter
13 configuration and everything else going on.
14 I'm not comfortable saying that definitively
15 right now, but that is a possibility.

16 BY CMSR. GIAIMO:

17 Q I just want to make sure I heard you right.
18 The program contemplates participation not on
19 the weekends, did I hear you right, and not on
20 holidays?

21 A (Goldman) That's correct. We haven't seen an
22 instance of an ISO peak on a holiday or on a
23 weekend. And, so, we're trying to,
24 essentially, catch that peak.

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Q While you're -- you're right, generally, system
2 does not peak in the summertime on the
3 weekends. Would you be surprised if I told you
4 that off the top of my head I can think of two
5 holiday OP-4 actions that happened in the past
6 five years?

7 A (Goldman) Yes. I know we had one on Labor Day
8 last year.

9 Q Okay.

10 A (Goldman) But that wasn't a peak, that was a
11 capacity shortage event. So, the ISO program
12 and the OP-4 actions have to do with
13 reliability. This is more of an economic and
14 environmental type of dispatch.

15 Q You and I can argue about, when an OP-4 is
16 called, prices go high.

17 A (Goldman) Well, but --

18 Q And there are all sorts of economic indicators
19 or things that should motivate people to do
20 exactly what you're doing because of the high
21 price. But I understand it's a pilot.

22 A (Goldman) Yes.

23 CMSR. GIAIMO: Thank you.

24 BY CMSR. BAILEY:

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Q So, your proposal is to compensate customers
2 \$275 to \$300 a kilowatt. And if they have a
3 5-kilowatt battery, that's 13 -- \$1,375 to
4 \$1,500?

5 A (Goldman) Approximately. I think we were
6 closer to \$225. I think there was some range
7 between what the companies were offering. But,
8 yes, you're in that right range.

9 Q Okay. So, you're offering to give them between
10 \$1,000 to \$1,500?

11 A (Goldman) Yes.

12 Q To discharge their battery for you, when
13 they're -- at the same time they're trying to
14 charge it?

15 A (Goldman) If they had that solar configuration,
16 that is a possibility.

17 Q And if they don't have the solar configuration,
18 they're charging it at night, you think? I
19 mean, I'm just trying to get what the incentive
20 for the customer is?

21 A (Goldman) Sure.

22 A (Downs) So, Unitil had a pilot in Massachusetts
23 where we had four residential customers. And
24 my understanding, from the analysis of that

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 program, is that it's fairly seamless for the
2 customer. They're not aware that their battery
3 is being discharged. They don't necessarily
4 need the battery during that time, and they're
5 pretty happy to take the money.

6 So, I don't think that there is -- so far,
7 what we have seen in our territory is that
8 there's not a major impact to the customer from
9 us borrowing their battery for a bit.

10 Q Did you say "four customers"?

11 A (Downs) Four customers, yes.

12 Q Do those -- do you know if those four customers
13 have solar?

14 A (Downs) Yes, they do.

15 A (Goldman) And just one other thing I would
16 quickly add is, if we're paying a customer
17 \$1,000 to \$1,500 per season, most of these
18 batteries are warrantied for ten years. And,
19 so, if you run this program year after year,
20 for ten years, and a customer participated
21 every year, we would essentially have paid them
22 10 to \$15,000 over the warrantied life of that
23 battery. Essentially, that would pay for the
24 battery, if they were willing to be in the

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1 program over that ten-year time period.

2 So, to me, that's what's in it for the
3 customer. And they're able to use it whenever
4 we're essentially not dispatching it.

5 Q And, so, they get the benefit of reliability in
6 the winter?

7 A (Goldman) Correct.

8 Q When you're not dispatching it?

9 A *(Witness Goldman nodding in the affirmative).*

10 A *(Witness Downs nodding in the affirmative).*

11 CMSR. BAILEY: Okay.

12 BY CMSR. GIAIMO:

13 Q But that's a pretty big gamble if it's just a
14 pilot program at the start. That presupposes
15 you'd keep the program alive for at least a
16 decade?

17 A (Goldman) That is certainly the hope. We, like
18 Ms. Downs had mentioned, we are doing something
19 similar in Massachusetts and in Connecticut,
20 and we have had some very positive initial
21 results. So, we've very optimistic that this
22 will work, and we'll hopefully be able to
23 continue it.

24 BY CMSR. BAILEY:

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1 Q All right. This is, I think, my final area of
2 questions about the Wi-Fi Thermostat Program
3 that you have. And this program you're going
4 to pay a sign-up incentive of \$25 to \$45. So,
5 if I put a Nest Thermostat in my house, and I
6 sign up for the program, I get \$25 or \$45. And
7 then, an annual participation fee of \$25 to --
8 \$20 to \$25?

9 A (Goldman) That's correct.

10 Q And, for that \$20 to \$25, you get to control my
11 thermostat in the summer. Is it the same
12 number of times, 30 to 60 times, every day?

13 A (Goldman) No. No. I think we say up to 18 or
14 20 times per season. So, it's somewhere in
15 between the technology agnostic C&I program,
16 which is more of the manual encounter, which is
17 three to eight times per year, and then the
18 daily dispatch on the storage is, say, at 60
19 times; this is somewhere in the middle.

20 Q All right. Do I have to have central AC to
21 qualify? Are you going to check that?

22 A (Goldman) Yes. You have to have central AC to
23 be part of the program.

24 CMSR. BAILEY: Okay. Okay, I think

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1 that's all I have. Thank you.

2 CHAIRWOMAN MARTIN: Okay. I think
3 we're going to go off the record and then take
4 a break for lunch right now. If everyone could
5 return in an hour, we'll call it 1:15.

6 *(Chairwoman Martin and Cmsr.
7 Giaimo conferring.)*

8 CHAIRWOMAN MARTIN: And before we do,
9 we'll take a follow-up question. Back on the
10 record, I'm sorry.

11 CMSR. GIAIMO: One follow-up
12 question.

13 BY CMSR. GIAIMO:

14 Q I just want to hear why the Commission -- why
15 you think the Commission should approve a
16 residential DR program that has a benefit/cost
17 of 0.66?

18 A (Downs) So, the benefit/cost is for
19 illustration only. This is a pilot. And we
20 are not actually claiming. We will report on
21 our findings, which will include the costs and
22 the benefits. But we're not earning any
23 Performance Incentive from the actual
24 performance or achievement of kilowatts or

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1 kilowatts saved from this program.

2 We are anticipating doing a lot of
3 marketing to our customers in this start-up
4 phrase, which will depress the
5 cost-effectiveness in its initial start-up
6 stage. So, we would ask for forbearance in
7 getting this off the ground, so that we can be
8 cost-effective, assuming that we continue to
9 offer this in the next triennium.

10 CMSR. GIAIMO: Thank you.

11 CMSR. BAILEY: I have one more
12 follow-up on that then.

13 BY CMSR. BAILEY:

14 Q So, do you get Performance Incentives for other
15 demand response?

16 A (Downs) In New Hampshire?

17 Q Yes.

18 A (Downs) No. Well, let me clarify. We -- the
19 Performance Incentive is based on spending,
20 correct? So, all of the goals that we have set
21 are then based on how we do on those goals,
22 they are calculated against the spending. So,
23 the spending is included. The spending on the
24 Active Demand Program will be included in that

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1 basis. But the benefits, there will be no
2 benefits being calculated from the demand
3 response programs. And the -- in terms of the
4 Performance Incentive rework that was described
5 earlier, the kW -- summer and winter kW goals
6 do not include active demand savings.

7 CMSR. BAILEY: Okay. Thank you.

8 CHAIRWOMAN MARTIN: Okay. Now, we'll
9 go off the record, break for an hour, and we'll
10 continue with these witnesses when we return.
11 Thank you.

12 *(Lunch recess taken at 12:15*
13 *p.m., and the hearing resumed at*
14 *1:21 p.m.)*

15 CHAIRWOMAN MARTIN: We'll go back on
16 the record and continue with the testimony. I
17 think, Commissioner Bailey, you were all set?

18 CMSR. BAILEY: Yes.

19 CHAIRWOMAN MARTIN: Commissioner
20 Giaimo.

21 MR. FOSSUM: Commissioners, if I can
22 interrupt for just one moment.

23 There was an exchange with
24 Commissioner Bailey where we agreed to take a

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1 record request. We have taken the lunch break
2 and have come up with that information. We'd
3 like to offer it now. In addition, we would
4 offer to follow up in writing tomorrow more
5 formally. But we can offer that information
6 now, if the Commissioners wish to accept it
7 now?

8 CHAIRWOMAN MARTIN: Okay. Excellent.
9 Thank you.

10 BY MR. FOSSUM:

11 Q With that, Ms. Peters, do you recall the
12 question that Commissioner Bailey asked? Or, I
13 guess more specifically, the line of
14 questioning related to the overall cost per
15 kilowatt-hour, looking back at the 2018 actual
16 information?

17 A (Peters) I do.

18 Q And do you have that information and can you
19 provide it please?

20 A (Peters) I will provide it now. In 2018, so,
21 the elements we were talking about were the
22 costs and also the savings for actuals for
23 2018. So, the actual spending for 2018,
24 including Performance Incentive, was

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1 36,795,527. That compares to a planned amount
2 of 37,970,176. So, the spend -- the actual
3 spending was less than planned. The lifetime
4 kilowatt-hour savings were 1.1 million
5 megawatt-hours. The planned lifetime savings
6 were 1.04 million megawatt-hours. So, the
7 actuals were 111 percent of the goal. The cost
8 per lifetime kilowatt-hour actual was 3.2
9 cents. The cost per kilowatt -- lifetime
10 kilowatt-hour planned was 3.6 cents.

11 CHAIRWOMAN MARTIN: Commissioner
12 Bailey, do you have any other questions on
13 that?

14 BY CMSR. BAILEY:

15 Q Can you tell me how you get to lifetime savings
16 from the -- let me see if I can find it in the
17 filing, the number that you're proposing this
18 year, the 140,000 megawatt-hours?

19 A (Peters) So, each measure that's included in
20 the Plan has an annual savings and a lifetime
21 savings associated with it. The annual savings
22 would be the savings that are achieved in one
23 year. So, when we calculate annual savings,
24 we're looking at just that first year of

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 savings. The lifetime savings are the savings
2 that that same measure achieves over its
3 lifetime. And each measure individually within
4 the Plan has a lifetime assigned to it based on
5 that measure and the technology and how it's
6 used, *etcetera*.

7 So, for the customer, they save not only
8 from the installation in the first year that's
9 installed, but they also save on their energy
10 use for every year after that first year for
11 the lifetime of the measure. And, so, both the
12 customer and the customers, as a greater whole,
13 get benefits from those measures that go beyond
14 just the first year of installation.

15 Q So, 140,179 megawatt-hours planned to be saved
16 in 2020 would result in a much higher number
17 over -- if you calculated those over a
18 lifetime?

19 A (Peters) Yes. The lifetime -- just a second,
20 I'll get it for you. The lifetime is
21 1.7 million megawatt-hours.

22 Q And, so, if I divided the proposed budget --

23 A (Peters) Uh-huh.

24 Q -- by the 1.7 million megawatt-hours, that

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 would be the cost per kilowatt-hour?

2 A (Peters) Correct.

3 Q Well, and divided by a thousand?

4 A (Peters) Yes. The lifetime kilowatt-hours.

5 CMSR. BAILEY: Yes. Okay. Thank you
6 very much.

7 CHAIRWOMAN MARTIN: Commissioner
8 Giaimo.

9 CMSR. GIAIMO: Good afternoon.

10 WITNESS NIXON: Good afternoon.

11 CMSR. GIAIMO: Thank you.

12 BY CMSR. GIAIMO:

13 Q We spent a bit of time discussing the DR
14 Program. I was hoping that the Utilities can
15 talk a little bit about the administrative
16 costs attached to the DR Programs?

17 A (Downs) Sure.

18 Q Okay.

19 A (Downs) Oh.

20 A (Goldman) Sure.

21 Q I just want to hear about the administrative
22 costs in general, and as a function of the
23 total costs. And whether or not you think the
24 costs associated with these programs, the

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 administration of the programs, are appropriate
2 and reasonable?

3 A (Goldman) So, I can give a little bit of a
4 general overview. So, there would be internal
5 staff time associated with that. There would
6 also be, for a lot of these programs, what you
7 need is some sort of software to help you with
8 the coordination and dispatch with these types
9 of assets. And, so, that would be kind of
10 captured there as well.

11 One thing I would add, though, is, when
12 you are working in multiple different service
13 territories or jurisdictions, you're able to
14 leverage those costs. And, so, you're able to
15 really scale that up and get, essentially,
16 efficiencies, economies of scale. And I think
17 we've actually been able to drive those
18 administrative costs down by offering these
19 across our service territory. And I believe
20 Unitil is in a similar situation.

21 A (Downs) I would add that Unitil is not paying
22 for software for its own administration. We'll
23 be relying on service providers to be doing
24 that. I believe I'm looking for Tom to nod his

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 head, who is my colleague at Unitil.

2 And, similarly, we are offering programs
3 in Massachusetts, where we've had some
4 experience with this now, and there's some
5 learning that we will be bringing to bear in
6 New Hampshire.

7 Q Okay. So, how much will it cost to administer
8 the program for a year, for each of you?

9 A (Downs) For Unitil, the total costs, of the
10 residential and commercial combined, are
11 three -- approximately \$350,000.

12 Q And then, can you break that down by electric
13 versus gas?

14 A (Downs) There is no gas --

15 Q There is no gas. Sorry.

16 A (Downs) -- demand response.

17 A (Goldman) And, for Eversource, it's
18 approximately \$508,000 total.

19 CMSR. BAILEY: Are you moving on from
20 that topic?

21 CMSR. GIAIMO: If you want to, go
22 ahead. Please.

23 BY CMSR. BAILEY:

24 Q So, in the residential program for Unitil,

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[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 isn't the administrative costs like \$70,000 and
2 the incentive cost is \$50,000?

3 A (Downs) That's correct.

4 Q Why is that so high? Because you're
5 contracting out?

6 A (Downs) Because this is a pilot program,
7 because we haven't established this program in
8 New Hampshire yet, we were very liberal with
9 the amount of marketing money that we set aside
10 for this program, so that we can reach out to
11 customers. In fact, we hope to be able to run
12 the program for less than this. But we wanted
13 to give ourselves the leeway to be able to
14 market it aggressively.

15 Q Have you run a similar program in another state
16 yet?

17 A (Downs) We are in our first year of a
18 residential program in Massachusetts. So, --

19 Q Did you spend \$70,000 on marketing?

20 A (Downs) I don't believe we did, no.

21 Q And Massachusetts is a much bigger state, with
22 a lot more customers. I mean, --

23 A (Downs) Well, Massachusetts is, but our
24 territory is relatively small, relative to New

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Hampshire.

2 Q Okay. It just seems like \$70,000 is a huge
3 amount. But you don't expect to spend that
4 much, that's what you're saying?

5 A (Downs) I don't want to say "we don't expect
6 to", but our aim will be to be frugal with the
7 funds.

8 CMSR. BAILEY: Okay. Thank you.

9 BY CMSR. GIAIMO:

10 Q Ms. Peters, I just want to clarify, so that I
11 make sure I understand what you said. When you
12 were talking about the 2019 program
13 performance, you talked about "workforce
14 constraints". And I just want to make sure I
15 understand there. What I understand that to be
16 is that you have difficulty, because there's a
17 lack of contractors who do weatherization, is
18 that -- am I understanding that correctly? And
19 what, if that is correct, what are you going to
20 do going forward to prevent that in this
21 program year and going forward?

22 A (Peters) Correct. This is something we've been
23 talking about both with our contractors and our
24 stakeholders and others. So, for both the Home

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 Performance With Energy Star Program and the
2 Low Income HEA Program, those programs rely on
3 weatherization contractors that go into homes
4 and do extensive weatherization work.

5 There are a number of factors that kind of
6 implicate the availability of those contractors
7 in this state. We have a lot of great small
8 businesses that do this work in this state.
9 And that statement was in no way meant to say
10 anything negative about the work they do.
11 They're wonderful, and they do a really good
12 job, as well as do the Community Action
13 Agencies.

14 We do see, in a job market and a housing
15 market, where there are a lot of opportunities
16 for workers, both building new construction
17 homes and working at other probably less messy
18 jobs in other places, there is some level of
19 constraint, in terms of the number of workers
20 who are going into this weatherization type of
21 field.

22 So, we have been working with, on the low
23 income side, with the Community Action Agencies
24 directly, all of them. A number of them have

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1 scaled up, adding additional crews and contract
2 crews. We are looking with them about
3 regarding kind of equipment needs that they
4 have. We are doing our annual review of the
5 pricing structure for that program, to make
6 sure that they are able to kind of continue
7 running in the job market that exists right
8 now.

9 A number of the Utilities have talked to
10 contractors from out-of-state, both in Maine
11 and Vermont and Massachusetts, to see if we can
12 kind of gather some from other areas. We are
13 working with the Lakes Region Community College
14 on training opportunities.

15 So, it's kind of a multi-pronged
16 initiative. And I think it's something that we
17 will need to continue working on. There's no
18 one single solution. And the contractors that
19 are out there are doing a lot and they are
20 quite busy. And we need to continue working
21 with them as we continue ramping up, to make
22 sure that we can do the jobs that we're
23 planning to do.

24 Q Thank you for the answer. And, obviously,

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1 you've thought a lot about that and going
2 forward.

3 Does the panel think, in general, with
4 respect to the DR Programs, that there will be
5 enough information ascertained from the pilot
6 to make an informed decision for the next
7 triennium? Will you have that data in time?

8 A (Goldman) Yes, I believe so. And then, one of
9 the advantages we have is that we can,
10 essentially, couple the initial results we're
11 getting from New Hampshire with our experiences
12 in our other jurisdictions as well. So, we've
13 got a really kind of holistic view of how these
14 programs are working.

15 So, I think, by being able to run these in
16 2019 and 2020, that will really inform that
17 next three-year plan.

18 Q And the other Utilities agree?

19 A (Downs) I would only add that, because the
20 program is so summer-driven, that we will be
21 filing our triennial -- next triennial plan on
22 July 1st, our final plan. And we will not have
23 all of the experiences this Summer of 2020
24 behind us in order to be informing the

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 decision.

2 Q Thank you. Speaking of summer-driven, it seems
3 like a lot of the programs are specifically
4 focused on summer and summer peak. Has
5 consideration been given to the winter peak and
6 the winter problems that the region are going
7 through with respect to fuel and fuel security?
8 Have thoughts gone into ways of mitigating
9 those concerns in the winter?

10 A (Goldman) There's certainly been thought given
11 to it. But, as you think about the benefits
12 that we derive, especially as can quantify in
13 the Avoided Energy Supply Cost Study, which is
14 what we used as the basis for our cost/benefit
15 analysis. ISO-New England is a summer peaking
16 system. So, all of the avoided capacity
17 benefits that you get are from operating the
18 program in the summer.

19 In the winter, we tend not to have those
20 high electric loads. So, you don't really get
21 the benefit of those avoided transmission and
22 distribution costs as well. There are
23 certainly pricing spikes in the winter. And I
24 agree with the statement about some of the fuel

1 security issues.

2 So, certainly, some thought has been given
3 to what we can do in the winter. But there has
4 not been a proposal in New Hampshire yet.

5 Q Okay. I would -- this is more of a statement
6 than anything else. I wouldn't be surprised,
7 and to the extent that it informs your
8 thinking, I wouldn't be surprised if the region
9 finds itself moving towards a winter peaking
10 system in the next 15 years. So, anyway.

11 I guess my last question to the panel is
12 to Ms. Nixon. You, in your testimony,
13 identified some concerns you have. Do you feel
14 like your concerns have been resolved through
15 the Settlement? Are you comfortable with where
16 we're going and where we are?

17 A (Nixon) Yes. I think, through the Settlement,
18 we'll be able to, I mean, like on the pilot
19 specifically, we will be able to learn a lot
20 from that and gain from that, as well as the
21 implementation of some of the programs that I
22 had concerns with, and be able to give us some
23 information for the next three-year plan. But
24 I think it's reasonable to go forward with this

[WITNESSES: Peters|Goldman|Downs|Nixon|Dudley]

1 plan.

2 CMSR. GIAIMO: Thank you.

3 CHAIRWOMAN MARTIN: Okay. I have no
4 additional questions.

5 Is there any follow-up for these
6 witnesses?

7 MR. FOSSUM: I do not have any.

8 MR. TAYLOR: Commissioner? Oh,
9 sorry. In terms of redirect, procedurally,
10 this may be a little bit awkward, but
11 Commissioner Bailey had some questions about
12 the budget for Unitil's pilot program. Tom --
13 Mary Downs is the witness on the stand, may not
14 be able to speak to this, but Tom Palma, who is
15 here, would like to offer a clarification on
16 that. I don't know if we can -- if you'd like
17 to bring him up to the stand to do it, or if we
18 should just offer, you know, offer a clarifying
19 point?

20 CHAIRWOMAN MARTIN: Okay. I think
21 we'd like to hear that. If we don't have any
22 redirect for these witnesses, we could excuse
23 them.

24 Mr. Taylor, we'd like to take you up

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[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 on that. Either your witness can come up and
2 we'll swear him in up here, or he can just stay
3 in his seat.

4 MR. TAYLOR: While Mr. Palma would
5 certainly be happy to answer any questions you
6 have about demand response, there was a
7 misunderstanding about the dollar amounts.
8 And, so, at this point, he doesn't need to
9 clarify.

10 The question was, you had asked about
11 administrative costs. There was some confusion
12 as to what was being discussed. So, we don't
13 need to clarify that at this time.

14 CHAIRWOMAN MARTIN: Commissioner
15 Bailey, do you have any questions you'd like
16 the witness --

17 CMSR. BAILEY: No.

18 CHAIRWOMAN MARTIN: Okay. Then, we
19 will pass. Thank you.

20 MR. TAYLOR: Sorry for the
21 interruption.

22 CHAIRWOMAN MARTIN: That's okay.
23 Okay. I understand we have another panel,
24 Mr. Fossum?

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 MR. FOSSUM: We do. We have a panel
2 of another four witnesses on the rates issues.

3 CHAIRWOMAN MARTIN: Okay. We can
4 have those witnesses come up.

5 (Whereupon **Marc E. Leménager,**
6 **Christopher Goulding,**
7 **Heather M. Tebbetts,** and
8 **Carol M. Woods** were duly sworn
9 by the Court Reporter.)

10 CHAIRWOMAN MARTIN: Mr. Fossum.

11 MR. FOSSUM: Thank you.

12 **MARC E. LEMÉNAGER, SWORN**

13 **CHRISTOPHER GOULDING, SWORN**

14 **HEATHER M. TEBBETTS, SWORN**

15 **CAROL M. WOODS, SWORN**

16 **DIRECT EXAMINATION**

17 BY MR. FOSSUM:

18 Q As is my habit these days, I suppose I'll start
19 working from my left to right, and I'll begin
20 with Ms. Tebbetts. Could you please state your
21 name, position, and responsibilities for the
22 record?

23 A (Tebbetts) Yes. My name is Heather Tebbetts.

24 And I work at Liberty Utilities Service

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[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 Corporation. I'm the Manager of Rates and
2 Regulatory Affairs. And I'm responsible for
3 policy, strategy, and rates for Granite State
4 Electric and EnergyNorth Natural Gas.

5 Q And, Mr. Leménager, the same to you.

6 A (Leménager) My name is -- excuse me. My name
7 is Marc Leménager. My business address is 780
8 North Commercial Street, Manchester, New
9 Hampshire. I'm employed by Eversource Energy
10 Service Company as an Analyst for New Hampshire
11 revenue requirements. I'm responsible for
12 assisting in coordination and implementation of
13 revenue requirements calculations for
14 Eversource, as well as the filings associated
15 with Eversource's Default Energy Service rate,
16 Stranded Cost Recovery Charge, distribution
17 rates, and Transmission Cost Adjustment
18 Mechanism.

19 Q And, Ms. Woods.

20 A (Woods) My name is Carol Woods. I work at New
21 Hampshire Electric Co-op. My position --
22 excuse me -- is Energy Solutions Executive.
23 And I'm responsible for the oversight of the
24 Company's EERS programs.

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 Q And, Mr. Goulding, finally.

2 A (Goulding) My name is Christopher Goulding.
3 I'm the Director of Rates and Revenue
4 Requirements for Unutil Service Corp. And my
5 responsibilities include all rate and
6 regulatory-related matters to financial
7 requirements of Northern and Unutil
8 subsidiaries.

9 Q Thank you. And, again, we're going to do this
10 fairly efficiently. Again, I'll just work sort
11 of from my left to right across this panel.

12 Did each of you submit testimony as part
13 of the September 13th Plan filing that has been
14 marked as "Exhibit 21"?

15 A (Tebbetts) Yes.

16 A (Leménager) Yes.

17 A (Woods) Yes.

18 A (Goulding) Yes.

19 Q And for each of you, was that testimony
20 prepared by you or at your direction?

21 A (Tebbetts) Yes.

22 A (Leménager) Yes.

23 A (Woods) Yes.

24 A (Goulding) Yes.

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 Q And do you adopt that testimony as your sworn
2 testimony in this proceeding?

3 A (Tebbetts) Yes.

4 A (Leménager) Yes.

5 A (Woods) Yes.

6 A (Goulding) Yes.

7 Q And, similarly, did each of you submit
8 testimony as part of the November 1st filing
9 that has been marked as "Exhibit 22"? The
10 November 1st Update filing?

11 A (Tebbetts) Yes.

12 A (Leménager) Yes.

13 A (Woods) Yes.

14 A (Goulding) Yes.

15 Q And, likewise, was that testimony prepared by
16 each of you -- was prepared by you or at your
17 direction?

18 A (Tebbetts) Yes.

19 A (Leménager) Yes.

20 A (Woods) Yes.

21 Q And --

22 A (Goulding) Yes.

23 Q Sorry. And that testimony was intended to
24 supplant the testimony that had initially been

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 included in Exhibit 21, is that correct?

2 A (Tebbetts) Yes.

3 A (Leménager) Correct.

4 A (Woods) Yes.

5 A (Goulding) Yes.

6 Q And do you adopt the testimony that is included
7 within Exhibit 22 as your sworn testimony in
8 this proceeding?

9 A (Tebbetts) Yes.

10 A (Leménager) Yes.

11 A (Woods) Yes.

12 A (Goulding) I do.

13 Q And, finally, for each of you, is it your
14 position that the LBR, as applicable, and the
15 SBC rates that are calculated and provided in
16 your testimony, as included in Exhibit 22, are
17 just and reasonable rates?

18 A (Tebbetts) Yes.

19 A (Leménager) Yes.

20 A (Woods) Yes.

21 A (Goulding) Yes.

22 MR. FOSSUM: And that actually is all
23 that I have for the direct.

24 CHAIRWOMAN MARTIN: Commissioner

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[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 Bailey.

2 I'm sorry. Mr. Dexter, did you have
3 questions?

4 MR. DEXTER: No. Staff has no
5 questions for this panel.

6 CHAIRWOMAN MARTIN: Okay. Thank you.

7 BY CMSR. BAILEY:

8 Q Can we go through each of the bill impacts for
9 each company, just so that we make sure we look
10 at them all?

11 And, before we do that, on Page -- Bates
12 Page 253 of the testimony, Exhibit 22, you say
13 that we're "planning for 140,000 megawatt-hours
14 of savings, and an overall average cost to
15 achieve the kilowatt-hour savings of 49 cents."
16 Do you see that? Bates Page 253, Lines 15
17 through 17.

18 A (Tebbetts) Yes.

19 A (Leménager) I see that.

20 Q What's the unit on the 49 cents? Forty-nine
21 (49) cents per what?

22 A (Goulding) I'm going to go out on a limb here,
23 and say it's 49 cents per kilowatt-hour, just
24 reading the sentence.

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[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 Q All right. That's what I thought. So, that
2 cost compares to the cost that we just talked
3 about with the last panel of the achieved
4 lifetime savings. This is the cost that it
5 costs per kilowatt-hour for one year? So, it's
6 the budget number divided by the 140,000
7 kilowatt-hours? Is that what it is? What did
8 you mean when you wrote this sentence?

9 A (Leménager) So, I believe --

10 *(Cmsr. Giaimo providing a*
11 *calculator to Witness Goulding.)*

12 WITNESS GOULDING: Could I get the
13 question restated or read back, now that I know
14 where the numbers are coming from?

15 BY CMSR. BAILEY:

16 Q This sentence says something costs us 49 cents
17 a kilowatt-hour. What costs 49 cents a
18 kilowatt-hour? How did you calculate that
19 number? Where does that come from? And what
20 is the point of this sentence?

21 A (Goulding) Okay. So, it's the \$69.3 million of
22 required funding, and the annual savings of
23 140,100 megawatt-hours gives you your 49 cents.

24 Q Okay. Thank you. That's what I was looking

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 for. All right. Let's look at the rate
2 changes that are required --

3 CMSR. BAILEY: Or, excuse me,
4 Commissioner Giaimo has a -- maybe. Hang on.

5 BY CMSR. GIAIMO:

6 Q I don't know if it's possible to figure out
7 from these numbers, but I had asked Ms. Peters,
8 and she had given me a general answer, but not
9 specific, what it would take to see a 1.4 or a
10 1.5 percent savings? Is that something that
11 can actually be calculated here?

12 A (Goulding) No. Because it's all about the
13 program as it expands, and you're expanding
14 your savings, and reaching farther, it can be
15 more costly to achieve those savings. So, I
16 don't think it just proportionally goes up.

17 CMSR. GIAIMO: Okay. Thanks.

18 BY CMSR. BAILEY:

19 Q All right. Let's start with -- who wants to
20 start, Mr. Goulding or Ms. Tebbetts?

21 A (Goulding) Ms. Tebbetts.

22 A (Tebbetts) Okay.

23 *[Laughter.]*

24 BY CMSR. BAILEY:

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 Q All right. Show me -- show me the rate impact
2 for Liberty, and where it is in the filing?

3 A (Tebbetts) Sure. If you look at Attachment F3,
4 Page 8 of 17, --

5 Q Do you have a Bates page number? Oh, I got it.

6 A (Tebbetts) My apologies, I don't, because I
7 printed out my schedules.

8 Q Okay. Page 8 of 17?

9 A (Tebbetts) Yes.

10 MR. DEXTER: Commissioner, I think
11 it's Bates 112.

12 CMSR. BAILEY: Yes. Okay. Thank
13 you. That's where I am. All right.

14 BY CMSR. BAILEY:

15 Q So, the current System Benefits Charge is
16 "0.00535".

17 A (Tebbetts) Yes.

18 Q And the proposed is "0.00712". That's what
19 this says. And I thought that the previous
20 panel testified that the rate for the SBC was
21 like 0.0528?

22 A (Tebbetts) Sure. So, if you go over to Page 1
23 of 17 of our F3, so, it's just the beginning of
24 this section.

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 Q Okay.

2 A (Tebbetts) You'll see that there is a breakdown
3 of the SBC Rate. The EE portion of 0.528 cents
4 per kilowatt-hour. Then, you have to add in
5 the Electric Assistance Program portion of it,
6 and also our lost revenue portion of it to get
7 that number.

8 So, the SBC rate, which is the energy
9 efficiency only portion of the rate, is the
10 "0.528 cents per kilowatt-hour" that they were
11 referring to.

12 Q Okay. Thank you. All right. So, what's the
13 bill impact on a typical customer for -- can
14 you give it to me for EnergyNorth and Granite
15 State Electric?

16 A (Tebbetts) So, on Granite State Electric, it's
17 on the Page 8. And we have a Residential Rate
18 D customer at 650 kilowatt-hours a month, and
19 that is about \$113.

20 And then, for EnergyNorth, let me just
21 open up the testimony from our cost of gas
22 filing.

23 Q So, before you move on.

24 A (Tebbetts) Sure.

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 Q So, that Page 8, which is Bates Page 112, shows
2 that a residential -- a typical residential
3 customer with 650 kilowatt-hours a month is
4 going to pay an additional \$1.15 a month?

5 A (Tebbetts) Yes. That's correct.

6 Q Okay. Thank you.

7 A (Tebbetts) Now, I'm going to go into our filing
8 for EnergyNorth, but it is not my testimony.
9 It is the testimony of Mr. Simek and
10 Ms. McNamara. So, just give me a moment please
11 to find it.

12 CMSR. BAILEY: Maybe your lawyer
13 could point you to the right page. Is that
14 possible?

15 MR. SHEEHAN: I'm looking.

16 **CONTINUED BY WITNESS TEBBETTS:**

17 A (Tebbetts) Yes. It actually may not be in what
18 we filed as part of this. We usually just
19 attach what the calculations are. And it looks
20 to me like it's not in this part of the
21 testimony that we've provided for bill impacts,
22 due to the fact that it's cost of gas, and
23 their cost of gas includes the LDAC filing as
24 well.

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 So, I don't think I have it in front of
2 me. But I most certainly can get that
3 information for you.

4 BY CMSR. BAILEY:

5 Q Okay. So, the question would be, what is the
6 increase -- and this is part of the LDAC, the
7 equivalent of the System Benefits Charge. So,
8 what is the increase in the LDAC going to be as
9 a result of the new 2020 energy efficiency
10 project -- proposed budget, and what's the
11 monthly bill impact?

12 A (Tebbetts) Uh-huh. Okay. Let me take that as
13 a record request.

14 A (Goulding) Could we just make that a record
15 request to Northern also, because mine will be
16 the same situation?

17 Q Okay. All right.

18 A (Tebbetts) And may I ask, when you're looking
19 at the impact of bills, you know, we have the
20 cost of gas change as well. So, are you
21 looking, it's kind of an odd question for me,
22 but I just want to make sure I'm clear, if the
23 cost of gas increased and the LDAC increased,
24 then you're going to see an increase either

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 way. So, are you looking for apples-to-apples,
2 cost of gas no change, just LDAC change? I'm
3 not -- I just want to make sure what we provide
4 is protect.

5 Q I want to know what the bill impact, the
6 monthly bill impact is as a result of energy
7 efficiency programs.

8 A (Tebbetts) Solely, energy efficiency?

9 Q Yes.

10 A (Tebbetts) Okay. Thank you.

11 MR. SHEEHAN: May I approach? I
12 might be able to help.

13 CHAIRWOMAN MARTIN: Sure.

14 CMSR. BAILEY: Oh, okay. Are you
15 going to be able to help Mr. Goulding?

16 *(Witness Goulding indicating in*
17 *the negative.)*

18 *(Laughter.)*

19 *[Atty. Sheehan conferring with*
20 *Witness Tebbetts.]*

21 MR. SHEEHAN: I could have helped.
22 I'm sorry.

23 CMSR. BAILEY: All right. So, you
24 both understand the record request?

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 WITNESS GOULDING: Yes.

2 [Two record requests made.]

3 BY CMSR. BAILEY:

4 Q All right. Mr. Leménager, you want to give us
5 Eversource's information please?

6 A (Leménager) Sure. So, the System Benefits
7 Charge from current rates of 0.00586 is
8 proposed to increase to 0.00743 as part of this
9 filing. The bill impact expected on a
10 residential customer using 625 kWh per month
11 would be 0.8 percent, and the dollar amount
12 estimated is 0.98, or 98 cents per month. So,
13 this would be to achieve going from the 1
14 percent annual plan up to the 1.3 percent
15 savings target.

16 Q Thank you.

17 A (Woods) So, for New Hampshire Electric Co-op,
18 the SBC is being increased from 0.00523 to
19 0.00678, which includes the EAP portion and the
20 energy efficiency portion. And that, for a
21 member who uses 600 -- a residential member
22 using 625 kilowatt-hours a month is a
23 0.8 percent, or 97 cents a month.

24 Q Thank you. Mr. Goulding?

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[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 A (Goulding) And, for Unitil, the System Benefits
2 Charge is increasing from 0.00576 cents per
3 kilowatt-hour to 0.00752 cents per
4 kilowatt-hour. Which, for a customer, an
5 average residential customer using 625
6 kilowatt-hours a month would see an increase of
7 \$1.10, or 1 percent of their total bill.

8 CMSR. BAILEY: Okay. Thank you very
9 much. That's all the questions I have.

10 MR. TAYLOR: Commissioners? Sorry,
11 right here.

12 CHAIRWOMAN MARTIN: Mr. Taylor.

13 MR. TAYLOR: I may run into the same
14 fate as Mr. Sheehan. But could I make an
15 attempt to see if I could provide the bill
16 impact information, and see if we could get rid
17 of a record request?

18 CHAIRWOMAN MARTIN: You can try.
19 Yes.

20 MR. TAYLOR: I appreciate it.

21 *[Atty. Taylor conferring with*
22 *Witness Goulding.]*

23 MR. TAYLOR: No luck. I tried.

24 CHAIRWOMAN MARTIN: Well, thank you

[WITNESSES: Leménager|Goulding|Tebbetts|Woods]

1 for trying.

2 Commissioner Giaimo, do you have
3 questions?

4 CMSR. GIAIMO: I have what I think is
5 one question.

6 BY CMSR. GIAIMO:

7 Q On Bates 254, there is a discussion of the LBR.
8 And all the LBRs seem to be relatively the
9 same, except for Liberty's. Liberty's is
10 significantly lower, and looks like, in the
11 prior year, was significantly, significantly
12 lower. I said "significantly" twice. I'm just
13 wondering, what's that all about?

14 A (Tebbetts) Sure. So, the Company, Granite
15 State Electric, has had a test year for its
16 current rate case in 2018. And, as part of the
17 discussions, and I don't recall if it's in our
18 Settlement Agreement in Docket 15-137, which is
19 the EERS docket, that a utility will reset its
20 sales for a test year when it has a rate case.
21 And, so, because of that, for 2019 filing for
22 last year, we had zero cumulative sales to
23 collect from customers, because we had a reset.
24 So, we just had the kilowatt-hour savings for

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[WITNESS: Eckberg]

1 2019 in our lost revenue calculation.

2 So, for 2020, we only have the year of
3 2019, plus the sales for 2020 going in there.
4 So, that's why it's much lower.

5 CMSR. GIAIMO: I knew there was a
6 good reason. Thank you. That's it.

7 CHAIRWOMAN MARTIN: Okay. I don't
8 have any other questions.

9 Do we have any redirect?

10 MR. FOSSUM: I do not. I don't know
11 if there's another attempt at the gas
12 companies' filing, but I don't have any.

13 MR. DEXTER: Staff has no questions.

14 CHAIRWOMAN MARTIN: Thank you. Then,
15 we can excuse the witnesses.

16 And at this point, do we just need to
17 hear from folks who need to adopt testimony or
18 do we have other things to do?

19 MR. DEXTER: I believe that would be
20 the next item of business.

21 CHAIRWOMAN MARTIN: Okay.

22 MR. DEXTER: Staff has one witness
23 who submitted prefiled testimony and has not
24 yet taken the stand to adopt it. That's

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[WITNESS: Eckberg]

1 Stephen Eckberg. And I would propose to do
2 that right now.

3 CHAIRWOMAN MARTIN: Okay. Anyone
4 else?

5 *[No verbal response.]*

6 CHAIRWOMAN MARTIN: Nope. Okay.

7 MR. FOSSUM: While Mr. Eckberg is
8 taking the stand, I'd just like to take a
9 moment to clarify what I understand we're
10 coming away with for follow-ups after the
11 Utility witnesses have completed.

12 My understanding is we have three
13 record requests outstanding at the moment. One
14 is a written version of the 2018 actual
15 information Ms. Peters provided following the
16 lunch break. Two is -- two and three would be
17 the bill impact information relating to
18 EnergyNorth and Northern Utilities,
19 respectively.

20 Those are the ones that I have. And
21 I'm essentially seeking confirmation from the
22 Commissioners that I have all of them and that
23 they're basically correct?

24 CHAIRWOMAN MARTIN: Yes. I think you

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[WITNESS: Eckberg]

1 have all of them. And that's everything that I
2 have, at least at this point.

3 MR. FOSSUM: Thank you. I just
4 wanted a chance to clarify that before we let
5 all the Utility witnesses run away.

6 (Whereupon **Stephen R. Eckberg**
7 was duly sworn by the Court
8 Reporter.)

9 CHAIRWOMAN MARTIN: Mr. Dexter.

10 MR. DEXTER: Thank you.

11 **STEPHEN R. ECKBERG, SWORN**

12 **DIRECT EXAMINATION**

13 BY MR. DEXTER:

14 Q Would you please state your name and position
15 for the record?

16 A My name is Stephen R. Eckberg. I work as a
17 Utility Analyst with the Electric Division,
18 here at the New Hampshire Public Utilities
19 Commission.

20 Q And, Mr. Eckberg, did you submit prefiled
21 direct testimony in this case that's been
22 marked as "Exhibit 25"?

23 A Yes, I did.

24 Q And do you have that before you?

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[WITNESS: Eckberg]

1 A I do.

2 Q Do you have any corrections or updates you'd
3 like to make to that testimony at this time?

4 A Yes. I have one correction that I'd like to
5 make, and that is on Page 2, Bates Page 002, of
6 my testimony. We heard earlier, when Panel 1
7 was up here, that there was some changes to the
8 HEA budget, or the Home Energy Assistance, the
9 Low Income Program budget for the New Hampshire
10 Electric Co-op. And, on Bates Page 002 of my
11 testimony, where I present the information
12 there, in the fourth row down of numbers we see
13 the information presented for the New Hampshire
14 Electric Co-op. And the third column of
15 numbers over, which is titled "HEA Budget with
16 PI", or Performance Incentive, "at
17 5.5 percent", that's Column (B) or Note (B).
18 We see a number in that cell of "880,987". But
19 taking into account the correction which was
20 offered by the Co-op to this number, and
21 adjusting that for the budgeted Performance
22 Incentive, the correct number for that cell
23 should be "884,906".

24 And I believe that's the only correction

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[WITNESS: Eckberg]

1 or change I have to my testimony.

2 Q And you became aware of that correction to the
3 in NHEC budget after your testimony was filed,
4 correct?

5 A That is correct, yes. And, after the Companies
6 filed their November 1st adjustment to the
7 Plan, or Update to the Plan, there was
8 subsequent communications that there had been a
9 discrepancy discovered in that HEA budget for
10 the Co-op, and they communicated the correct
11 number to us.

12 And I believe that the numbers, which are
13 provided in the attachment to the Settlement
14 Agreement, the numerous pages of budgets and
15 things, the number is correct there.

16 Q Very good. Mr. Eckberg, if I were to ask you
17 the questions contained in Exhibit 25, would
18 your answers be the same as those contained
19 therein?

20 A Yes, they would.

21 Q And do you adopt those answers as your sworn
22 testimony in this proceeding?

23 A I do.

24 MR. DEXTER: Thank you. I don't have

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[WITNESS: Eckberg]

1 any further questions.

2 CHAIRWOMAN MARTIN: Thank you.

3 Mr. Fossum, do you have anything?

4 MR. FOSSUM: I do not.

5 CHAIRWOMAN MARTIN: Commissioner

6 Bailey?

7 CMSR. BAILEY: I don't think so.

8 Thank you.

9 CHAIRWOMAN MARTIN: Commissioner

10 Giaimo?

11 BY CMSR. GIAIMO:

12 Q In light of your clarification or your change
13 in the column, that doesn't change the column
14 to the right with the percentage?

15 A That's a good observation, Commissioner. It
16 might change that calculation of that
17 percentage a little.

18 Q Okay.

19 A But, nonetheless, the answer would still be
20 "yes" in the far right column. And I think
21 that's really the main operating point of the
22 purpose of my testimony here, is to provide
23 assurance that all of the four electric
24 utilities have met their statutory obligation.

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[WITNESS: Eckberg]

1 Yes.

2 CMSR. GIAIMO: Thank you.

3 CHAIRWOMAN MARTIN: Okay. Any
4 redirect?

5 MR. DEXTER: No.

6 CHAIRWOMAN MARTIN: All right. We
7 can excuse the witness. Thank you.

8 WITNESS ECKBERG: Thank you very
9 much.

10 CHAIRWOMAN MARTIN: Okay. So, is
11 there anything else that we need to do before
12 we sum up? I know we have exhibits probably to
13 discuss at this point.

14 MR. DEXTER: Commissioner, before we
15 move to exhibits, I'm just not sure where we
16 ended up with the Testimony of Mr. Rauscher and
17 the affidavit and the motion?

18 CHAIRWOMAN MARTIN: My understanding
19 of what we were going to do is to reserve a
20 exhibit for that, for the affidavit, and hold
21 that record open for that.

22 MR. DEXTER: Very good. I just
23 didn't want that to fall through the cracks.
24 Thank you.

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1 MR. FOSSUM: And I will note, there
2 was an affidavit attached to the motion itself.

3 CHAIRWOMAN MARTIN: There was, yes.
4 There was a copy of the affidavit.

5 Okay. So, without objection, then
6 I'm going to strike the ID on Exhibits 20 --
7 let me make sure I get this right -- 21, 22,
8 23, 24, 25, and 26. We're going to reserve 27
9 for the affidavit to come in related to that.
10 And then --

11 MS. CARMODY: I'm sorry, but I think
12 we marked earlier the Rauscher as "27".

13 CHAIRWOMAN MARTIN: We did. So, we
14 were going to keep it open, so that we could
15 add the affidavit related to that.

16 And then, we have three additional
17 record requests. So, we would reserve
18 Exhibits 28, 29, and 30.

19 *(Exhibits 28, 29, and 30*
20 *reserved for record requests to*
21 *be provided.)*

22 CHAIRWOMAN MARTIN: Does that make
23 sense to everybody?

24 MR. FOSSUM: Yes.

1 CHAIRWOMAN MARTIN: Okay. Then, we
2 can move to sum up. Why don't we start with
3 the non-utilities who would like to speak, in
4 the back. And then, we'll go to the OCA, and
5 then to the Staff, and then to the Utilities.

6 MS. MINEAU: I'm all set.

7 CHAIRWOMAN MARTIN: Anyone?

8 MR. BURKE: Thank you, Commissioners.
9 I'd like to just make a few comments, if I may.

10 And I'll start with something that I
11 perhaps should have raised as a preliminary
12 matter, so I apologize. But I just wanted to
13 make clear that the Settlement Agreement that
14 appears on the docket currently is missing The
15 Way Home signature page. But we do, in fact,
16 support the Settlement. The Utilities kindly
17 filed it the day after, on December 13th. So,
18 I just want to make sure, if you didn't have
19 it, that it was on the way to you.

20 CHAIRWOMAN MARTIN: Thank you for
21 that clarification. We actually did note that
22 this morning.

23 MR. BURKE: Okay. Great. Thank you.
24 Then, in light of some of the questions that

1 you asked today, I'd just like to make a few
2 comments about issues that The Way Home
3 supports in this Settlement and the Plan
4 Update.

5 The Way Home believes that the
6 Settlement is just and reasonable, and that the
7 2020 Plan Update will achieve the EERS goals
8 for 2020. In particular, we wanted to note
9 that we were active in the Performance
10 Incentive Working Group, and that we're
11 supportive of the changes to the Performance
12 Incentive formula, because we believe it will
13 allow for more flexibility in implementing the
14 Home Energy Assistance Program as part of a
15 comprehensive energy efficiency plan that
16 equitably serves all ratepayers.

17 The change to screen, in particular,
18 the benefit/cost ratio at the overall portfolio
19 level, rather than the sector level, for
20 purposes of the Performance Incentive
21 calculation removes the disincentive that
22 exists under the current formula with respect
23 to implementing the Home Energy Assistance
24 Program.

1 Currently, there can be a
2 disincentive to doing certain HEA measures,
3 including those that are still cost-effective,
4 because the lower cost-effective ratios of
5 those measures risks pulling down the overall
6 benefit/cost ratio of the residential sector
7 too far for purposes of the Performance
8 Incentive calculation.

9 And for more background and
10 information about this and our concerns, I
11 would point the Commissioners to the sworn
12 direct testimony of Roger Colton that we filed
13 on November 2nd, 2018 in this docket, in review
14 of the 2019 Plan Update. While we didn't file
15 any testimony in the review of the 2020 Plan
16 Update, I believe that Mr. Colton's testimony
17 addresses several of the questions that the
18 Commission asked today about the changes to the
19 Performance Incentive calculation.

20 I would particularly point you to
21 Bates Page 036. And, again, his testimony
22 addresses, from The Way Home's perspective, why
23 it was important to take a look at these issues
24 and to adjust the Performance Incentive

1 formula.

2 And I'll also just briefly mention
3 that we believe this change in the 2020 Plan
4 Update is consistent with Commission precedent,
5 which recognizes that the Low Income Program
6 need not achieve a benefit/cost ratio of
7 greater than one. Although, as you heard
8 today, it has historically achieved a ratio of
9 greater than one. And we believe this change
10 is also consistent with the legislative mandate
11 that energy efficiency programs should target
12 cost-effective opportunities that may otherwise
13 by lost due to market barriers. And here, I'm
14 referring to the language in RSA 374-F:3, sub
15 X. As the Parties and the Commission have
16 recognized in the past, there are often greater
17 market barriers that impede investments in the
18 Low Income Energy Efficiency Program. And
19 while low income households tend to use less
20 energy overall, they nonetheless tend to have
21 higher energy burdens, which means they spend a
22 larger percentage of their household income on
23 energy costs as compared to non low income
24 households. And this means that they often

1 have to make difficult decisions between paying
2 their utility bills or paying for other basic
3 needs.

4 Mr. Colton's prior testimony
5 discusses some of these current challenges to
6 implementing the HEA Program, the market
7 barriers that exist, and the continued need for
8 the program, based on his analysis of the data
9 available in New Hampshire. And we believe
10 that the changes to the Performance Incentive
11 formula will help address some of these
12 concerns going forward.

13 We'd just like, in closing, to thank
14 the Parties for their continued support for the
15 Low Income Program, and especially for the
16 dedication on the part of the Utilities and
17 their partners, the Community Action Agencies,
18 to deliver these much needed services to make
19 energy more affordable for the state's low
20 income communities.

21 Thank you.

22 CHAIRWOMAN MARTIN: Thank you
23 Ms. Shute.

24 MS. SHUTE: Thank you. So, the

1 Office of the Consumer Advocate supports energy
2 efficiency as a cost-effective resource. And
3 we support the Settlement proposal and the work
4 that has been done by the Utilities and the
5 other Parties.

6 We do recommend the Commission
7 provide approval to the Settlement proposal.

8 CHAIRWOMAN MARTIN: Thank you. Mr.
9 Dexter.

10 MR. DEXTER: Thank you. First, I'd
11 like to start with relaying some comments from
12 Rebecca Ohler, who had to leave due to
13 scheduling conflicts, from the Department of
14 Environmental Services. She asked me to relay
15 their position that they support the Settlement
16 and urge its adoption, as indicated by their
17 signature on the Settlement.

18 As for Staff, we likewise support
19 approval of the Settlement. We believe it will
20 result -- that the Plan that would be approved
21 will meet the goals of the EERS as established
22 back in DE 15-137. And we believe the
23 resulting rates are just and reasonable.

24 We have come to the final year of the

1 triennium. The process that was established in
2 15-137 was set up as a collaborative process
3 designed to reduce litigation around EERS, and
4 I believe we've accomplished that with this
5 Settlement as well. So, we recommend support.

6 Thank you.

7 CHAIRWOMAN MARTIN: Thank you.

8 Mr. Fossum, will you sum up for all the
9 Utilities or will each speak?

10 MR. FOSSUM: Historically, I've
11 spoken, and then the other Utility
12 representatives have filled in the blank spots
13 that I've missed out on. So, I'll try to
14 leave -- well, I don't know what I'll try to
15 leave. I'll say what I have to say, and we'll
16 see if they have fill-in.

17 CHAIRWOMAN MARTIN: Okay. Perfect.

18 MR. FOSSUM: I don't have a lot to
19 say. I do want to note our appreciation for
20 the comments that we've heard today. But, more
21 broadly, for the work that the various parties
22 have put in to get us to this point.

23 We're here before you today with a
24 broad range of stakeholders who all signed on

1 to the Settlement Agreement. And we think that
2 that is an important and meaningful thing to
3 note.

4 We believe also that the Settlement
5 Agreement is just and reasonable. The rates
6 that are covered in the Plan and supported by
7 the Settlement Agreement are likewise just and
8 reasonable, and would ask that they be approved
9 and implemented.

10 As an Update, as Mr. Dexter just
11 noted, being the last of the initial three-year
12 program, we see this as an opportunity to
13 continue to offer what have been successful
14 programs in the State of New Hampshire, and to
15 expand upon those programs in meaningful ways
16 going into 2020. In particular, by expanding
17 on the pilot program offering related to active
18 demand management, in the hopes of, over the
19 long term, probably making a program like that
20 a permanent offering.

21 We're prepared to, as Ms. Peters
22 testified, to meet the goals that we had set
23 for 2019, and we are fully prepared to meet
24 those goals for 2020 as well. And, as Ms.

1 Downs testified, we're tracking to meet our
2 goals over the course of this three-year Plan
3 overall.

4 I would ask that the Commission
5 approve this Settlement Agreement and the
6 underlying Plan, so that we can continue these
7 important programs in 2020 unbroken, and to
8 assure continuing success for New Hampshire's
9 customers.

10 Thank you.

11 CHAIRWOMAN MARTIN: Thank you. Would
12 any else like to speak after that?

13 MR. TAYLOR: It's hard to improve
14 upon Mr. Fossum's presentation.

15 I'll only say that the Unitil
16 companies fully support the Settlement. And
17 we, too, appreciate the efforts of all the
18 Parties in this case to come together and
19 present to you the Settlement that you have
20 before you today.

21 We also appreciate the Commissioners'
22 time today, and the opportunity to answer
23 questions.

24 Thanks.

1 MR. SHEEHAN: And I even have less to
2 say. We support the Settlement.

3 CHAIRWOMAN MARTIN: Thank you.
4 Anyone else?

5 *[No verbal response.]*

6 CHAIRWOMAN MARTIN: Mr. Dean, did you
7 want to speak?

8 MR. DEAN: To the extent there were
9 any blanks, they have been filled.

10 CHAIRWOMAN MARTIN: Okay. Thank you.
11 I think we've got it covered.

12 I want to thank everyone. I think
13 the Commission wants to thank everyone as well.
14 It's pretty amazing to have this large a group
15 come to a consensus on anything. So, that's
16 impressive.

17 And with that, we will close the
18 hearing and we will take it under advisement,
19 and issue an order as soon as possible.

20 ***(Whereupon the hearing was***
21 ***adjourned at 2:18 p.m.)***

22
23
24