

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

December 19, 2017 - 11:14 a.m.
Concord, New Hampshire

9 JAN '18 PM 1:03

RE: DE 17-151
EVERSOURCE ENERGY:
Petition for Adjustment to Stranded
Cost Recovery Charge.

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Kathryn M. Bailey
Commissioner Michael S. Giaimo

Jody Carmody, Clerk

APPEARANCES: Reptg. Public Service Company of
New Hampshire d/b/a Eversource Energy:
Matthew J. Fossum, Esq.

Reptg. Residential Ratepayers:
D. Maurice Kreis, Esq., Consumer Adv.
Office of Consumer Advocate

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Richard Chagnon, Electric Division

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

CERTIFIED
ORIGINAL TRANSCRIPT

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I N D E X

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WITNESS: DAVID F. BIDMEAD

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E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Petition for Adjustment to Stranded Cost Recovery Charge, consisting of the Petition and Testimony of David F. Bidmead, with attachments (10-02-17)	5
2	Eversource Energy Technical Statement of David F. Bidmead (12-08-17)	5
3	Eversource Energy Comparison of Current and Proposed Residential Rate R (3 pages)	5

P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: All right. Good
3 morning. We're here in Docket DE 17-151, which
4 is Eversource's Petition to adjust its Stranded
5 Cost Recovery Charge. We're here for a hearing
6 on the merits. This is the third hearing of
7 the day on Eversource's rate adjustments for
8 effect on January 1.

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

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

15 MR. KREIS: Ah, I did it again. D.
16 Maurice Kreis, the Consumer Advocate, here on
17 behalf of residential utility customers.

18 MS. AMIDON: Good morning. Suzanne
19 Amidon, for Commission Staff. With me this
20 morning is Rich Chagnon, an Analyst with the
21 Electric Division.

22 CHAIRMAN HONIGBERG: Mr. Fossum.

23 MR. FOSSUM: Good morning. We
24 have -- the Company has one witness, Mr.

1 Bidmead, to present this morning, and would ask
2 him to take the stand.

3 CHAIRMAN HONIGBERG: And what are the
4 exhibits?

5 MR. FOSSUM: And while he's doing
6 that, we have premarked for identification
7 three exhibits. Premarked as "Exhibit 1", a
8 cover letter dated September 29th, but filed on
9 October 2nd, initial Petition and testimony;
10 and premarked for identification as "Exhibit 2"
11 the Company's submission of December 8th; and
12 then, finally, premarked as "Exhibit 3" is the
13 "bingo sheet" exhibit, the same as Exhibit 3 in
14 17-150.

15 (The documents, as described,
16 were herewith marked as
17 **Exhibit 1, Exhibit 2,** and
18 **Exhibit 3,** respectively, for
19 identification.)

20 CHAIRMAN HONIGBERG: Mr. Patnaude,
21 could you swear in the witness please.

22 (Whereupon **David F. Bidmead** was
23 duly sworn by the Court
24 Reporter.)

[WITNESS: Bidmead]

1 CHAIRMAN HONIGBERG: Mr. Fossum.

2 **DAVID F. BIDMEAD, SWORN**

3 **DIRECT EXAMINATION**

4 BY MR. FOSSUM:

5 Q Mr. Bidmead, could you please state your name,
6 your place of employment, and your
7 responsibilities for the record.

8 A My name is David Bidmead. I'm a Senior Revenue
9 Requirements Analyst for New Hampshire,
10 employed by Eversource Energy, 107 Selden
11 Street, Berlin, Connecticut. My
12 responsibilities include the preparation and
13 review of the calculation of New Hampshire
14 revenue requirements for Eversource, as well as
15 filings associated with Eversource's Energy
16 Service Charge, the Stranded Cost Recovery
17 Charge, and Transmission Cost Adjustment
18 Mechanism.

19 Q Mr. Bidmead, back on October 2nd, did you
20 submit prefiled testimony in what has been
21 premarked for identification as "Exhibit 1"?

22 A Yes.

23 Q And was that testimony prepared by you or at
24 your direction?

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[WITNESS: Bidmead]

1 A Yes.

2 Q And do you have any changes or updates or
3 corrections to that testimony?

4 A No, I do not.

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

7 A Yes.

8 Q And, Mr. Bidmead, on December 8th, did you
9 submit a technical statement in what has been
10 now premarked for identification as "Exhibit
11 2"?

12 A Yes.

13 Q And was that technical statement and the
14 attachments prepared by you or at your
15 direction?

16 A Yes.

17 Q And do you have any changes, corrections or
18 updates to that information?

19 A No, I do not.

20 Q And do adopt that technical statement, the
21 information therein, as your sworn testimony in
22 this proceeding?

23 A Yes.

24 Q And, Mr. Bidmead, could you explain please, and

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[WITNESS: Bidmead]

1 there's not a lot to explain, but could you
2 explain please, with reference to the Exhibit 2
3 submission, what it is the Company is
4 requesting in this proceeding.

5 A The Company is requesting a change in the
6 Stranded Cost Recovery Charge rate from the
7 current rate of negative 0.092 cents, up to a
8 positive 0.042 cents. And the primary drivers
9 of that change are that the current rate
10 includes a prior year over recovery, whereas
11 the proposed 2018 rate does not. And this is
12 offset by 2018 RGGI auction proceeds being
13 forecasted higher than the 2017 RGGI auction
14 proceeds included in the current rate.

15 Q Thank you. Mr. Bidmead, turning to what has
16 been premarked for identification as "Exhibit
17 3", could you please explain what is shown on
18 that exhibit, and in particular with reference
19 to the charge that is the subject of this
20 proceeding.

21 A Yes. On Page 1 of Exhibit 3 is the comparison
22 for a residential rate customer with an average
23 of 600 kilowatt-hours of usage. In the top
24 portion, we see the Stranded Cost Recovery

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[WITNESS: Bidmead]

1 Charge for this customer is currently negative
2 0.094 cents, and we're proposing a new rate of
3 0.048 positive. And in the middle section, we
4 can see, on the third line in the lower
5 section, that the change to the bill would be
6 85 cents, or a 0.7 percent increase to the
7 customer's total bill.

8 Q Just sticking with Page 1, hopefully trying to
9 head off a question I might see coming, on Page
10 1 there, it looks like there is a negative
11 percent change in the component. Could you
12 just explain why the rate is going up, but
13 there is a negative percent change?

14 A Well, the rate is an increase. So, it would be
15 a positive. The denominator, being the
16 original negative rate was negative, and the
17 positive divided by the negative leads to a
18 negative. I suppose you could view it that
19 it's a negative charge, and the negative charge
20 is being reversed by 151 percent, leading to a
21 positive 0.85 change.

22 Q Thank you. Could you go on to explain the
23 following pages of Exhibit 3 and what is shown
24 there relative to the charge in this

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[WITNESS: Bidmead]

1 proceeding.

2 A Page 2 is the impact of a customer's bill
3 whose -- excuse me -- is a delivery service
4 customer only, who is not taking on
5 Eversource's Energy Service rate charge. And,
6 in the bottom row, we can see that the average
7 is 1.9 percent increase. Sorry.

8 On Page 3, it's an impact of a customer's
9 bill who is taking Eversource's Energy Service
10 rate charge. And at the bottom you can see the
11 average, the increase would be 0.7 percent to
12 the customer.

13 Q Thank you. And, Mr. Bidmead, is it the
14 Company's position that the rates that are
15 included in this filing are just and reasonable
16 and in the public interest?

17 A Yes.

18 MR. FOSSUM: Thank you. That's my
19 direct.

20 CHAIRMAN HONIGBERG: Mr. Kreis.

21 MR. KREIS: I have no questions for
22 Mr. Bidmead.

23 CHAIRMAN HONIGBERG: Ms. Amidon.

24 MS. AMIDON: Thank you.

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[WITNESS: Bidmead]

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24**CROSS-EXAMINATION**

BY MS. AMIDON:

Q Is this intended to be a rate that's effective throughout 2018 or just for a period of time during 2018, do you know?

A Yes. I believe we will file the changes to the rate at the same time that the new Default Service rate or the new ES would be developed, and they would be filed together.

MS. AMIDON: Okay. Thank you. I have nothing further.

CHAIRMAN HONIGBERG: Commissioner Bailey.

BY CMSR. BAILEY:

Q Can you look at Exhibit 3 and Exhibit 2, on Page 1? In Paragraph B, on Page 1 of Exhibit 2, it says the "net SCRC rate including the RGGI adder is 0.042 cents per kilowatt-hour", and the bingo sheet number for the proposed rate is "0.048 cents per kilowatt-hour". Can you explain why they're different?

A Is this Page 1 of Exhibit 3?

Q Yes.

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[WITNESS: Bidmead]

1 A Yes. On Page one is for a residential
2 customer. The 0.042 in the technical statement
3 is an average.

4 CMSR. BAILEY: Okay. All right.
5 That's all I have. Thank you.

6 CHAIRMAN HONIGBERG: Commissioner
7 Giaimo.

8 CMSR. GIAIMO: Good morning.

9 WITNESS BIDMEAD: Good morning.

10 CMSR. GIAIMO: I just have one quick
11 question.

12 BY CMSR. GIAIMO:

13 Q I'm interested in the forecasted RGGI clearing
14 price that you initially used, --

15 A Yes.

16 Q -- and what actually cleared and how that was
17 factored into the total number?

18 A Okay. In the current rate, so, the current
19 rate was set back in June, for July 1. And,
20 so, when we project forward, what we expect, we
21 just take the latest auction. So, in the
22 July 1 rate that's current, we used the latest,
23 was Auction 36, was on June 7th, and the
24 clearing price was 2.53. For this December 8th

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[WITNESS: Bidmead]

1 filing, we were able to take Auction Number 38,
2 which was actually December 6th, and that was a
3 current price of \$3.80.

4 Q So, wouldn't that produce more revenue for the
5 customers to be refunded back?

6 A Yes. And I believe -- yes. So, in the current
7 rate, the RGGI refund adder is a negative or a
8 credit to customers of 0.062 cents. What we're
9 proposing in this was a negative 0.105. So, it
10 was actually an increase in the credit that's
11 in the proposed rate, as compared to the July 1
12 rate.

13 I believe, in the October 2nd filing,
14 there was an auction in between, it was higher.
15 So, if you're comparing the October 2nd filing
16 to the December 8th filing, it would be a
17 decrease. But, from the current rate in June,
18 it's actually an increase.

19 Q Okay. As a point of clarification, I think
20 this is what happened. I think the 37th
21 auction was used in the initial forecast, and
22 then you trued it up with the last auction in
23 December to get a number that --

24 A Correct. I misunderstood. I thought you were

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[WITNESS: Bidmead]

1 comparing to the July 1 rate. But, yes, it's a
2 decrease from the October 2nd filing.

3 Q Yes. Okay.

4 A It was -- \$4.35 was the clearing price in the
5 September 8th [29th?].

6 Q Which is why the credit was smaller?

7 A Yes.

8 CMSR. GIAIMO: Thank you. I
9 appreciate the clarification. That's all I
10 have.

11 CHAIRMAN HONIGBERG: Commissioner
12 Bailey.

13 BY CMSR. BAILEY:

14 Q Back to the average SCRC rate and the
15 residential rate. What's the average rate for
16 commercial customers? Not the average rate,
17 what is the rate?

18 A If you look at Attachment -- I'm sorry, in
19 Exhibit 3, if you look at Attachment DFB-5,
20 that's Bates Page 011.

21 Q Wait a second.

22 CHAIRMAN HONIGBERG: Wait.

23 CMSR. BAILEY: Wait, wait, wait.

24 Exhibit 3, that's the bingo sheet.

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1 CHAIRMAN HONIGBERG: It's got to be
2 Exhibit 2.

3 CMSR. BAILEY: Or 1.

4 **BY THE WITNESS:**

5 A Exhibit 2, Bates Page 011, in Column (6), would
6 have the rates for all the different rate
7 classes that we're proposing.

8 CMSR. BAILEY: Okay. Thank you.

9 CHAIRMAN HONIGBERG: I have no other
10 questions.

11 Mr. Fossum, anything on redirect?

12 MR. FOSSUM: I have nothing.

13 CHAIRMAN HONIGBERG: All right.

14 Without objection, we'll strike ID on
15 Exhibits 1, 2, and 3. And allow the parties to
16 sum up. Mr. Kreis.

17 MR. KREIS: Thank you, Mr. Chairman.

18 We have reviewed this filing, and have
19 concluded and recommend that the Commission
20 conclude that the Company's proposed Stranded
21 Cost Recovery Charge is just and reasonable.

22 CHAIRMAN HONIGBERG: Ms. Amidon.

23 MS. AMIDON: Thank you. Staff has
24 reviewed the filing, and has concluded that the

1 Company has calculated the Stranded Cost
2 Recovery Charge in the manner that it has in
3 the past. And we believe that the result is
4 just and reasonable rates and recommend the
5 Commission approve the Petition.

6 CHAIRMAN HONIGBERG: Mr. Fossum.

7 MR. FOSSUM: Thank you. The Company
8 also believes that the filing as submitted
9 presents just and reasonable rates, and
10 requests that the Commission approve it as
11 submitted. Thank you.

12 CHAIRMAN HONIGBERG: All right.
13 Thank you all. We will take the matter under
14 advisement and issue an order as quickly as we
15 can. And we are adjourned.

16 ***(Whereupon the hearing was***
17 ***adjourned at 11:25 a.m.)***