

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

3  
4   **September 24, 2020 - 1:06 p.m.**

5                   *[Remote Hearing conducted via Webex]*

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7           **RE: DE 20-136**  
8           **PUBLIC SERVICE COMPANY OF NEW**  
9           **HAMPSHIRE d/b/a EVERSOURCE ENERGY:**  
10          **Recovery Mechanism and Rate**  
11          **Treatment for Net Metering and**  
12          **Group Host Costs.**  
13          ***(Prehearing conference)***

14  
15   **PRESENT:**     Chairwoman Dianne Martin, Presiding  
16                    Cmsr. Kathryn M. Bailey  
17                    Cmsr. Michael S. Giaimo

18                    Doreen Borden, Clerk  
19                    Eric Wind, PUC Remote Hearing Host

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

23                       **Reptg. Clean Energy New Hampshire:**  
24                       Kelly Buchanan

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

**Reptg. PUC Staff:**  
                      David K. Wiesner, Esq.  
                      Brian D. Buckley, Esq.

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

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Cmsr. Bailey	10
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**P R O C E E D I N G**

CHAIRWOMAN MARTIN: We're here this afternoon in Docket DE 20-136 for a prehearing conference regarding the Eversource Energy recovery mechanism and rate treatment for net metering and group host costs.

I have to make findings related to this being a remote hearing.

As Chairwoman of the Public Utilities Commission, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic, and in accordance with the Governor's Emergency Order Number 12, pursuant to Executive Order 2020-04, this public body is authorized to meet electronically. Please note that there is no physical location to observe and listen contemporaneously to this hearing, which was authorized pursuant to the Governor's Emergency Order.

However, in accordance with the Emergency Order, I am confirming that we are utilizing Webex for this electronic hearing. All members of the Commission have the ability to communicate contemporaneously during this hearing

1 through this platform, and the public has access  
2 to contemporaneously listen and, if necessary,  
3 participate.

4 We previously gave notice to the public  
5 of the necessary information for accessing the  
6 hearing in the Order of Notice. If anybody has a  
7 problem during the hearing, please call (603)  
8 271-2431. In the event the public is unable to  
9 access the hearing, the hearing will be adjourned  
10 and rescheduled.

11 Okay. Let's take roll call attendance  
12 of the Commission. When each Commissioner  
13 identifies him or herself, if anyone is with you,  
14 please identify them as well.

15 My name is Dianne Martin. I am the  
16 Chairwoman of the Public Utilities Commission.  
17 And I am alone.

18 Commissioner Bailey.

19 CMSR. BAILEY: Kathryn Bailey,  
20 Commissioner at the Public Utilities Commission.  
21 And I am alone.

22 CHAIRWOMAN MARTIN: Commissioner  
23 Giaimo.

24 CMSR. GIAIMO: Good afternoon. Michael

1 Giaimo, Commissioner at the PUC. And I am alone.

2 CHAIRWOMAN MARTIN: Excellent. Thank  
3 you.

4 Let's take appearances please, starting  
5 with Mr. Fossum.

6 MR. FOSSUM: Good afternoon,  
7 Commissioners. Matthew Fossum, here for Public  
8 Service Company of New Hampshire, doing business  
9 as Eversource Energy.

10 CHAIRWOMAN MARTIN: All right. Thank  
11 you.

12 And Mr. Kreis.

13 MR. KREIS: Good afternoon, Chairwoman  
14 Martin, the Commissioners, everybody. I am D.  
15 Maurice Kreis, doing business as Don Kreis. I am  
16 the Consumer Advocate. And I'm here on behalf of  
17 the residential customers of this fine utility.

18 CHAIRWOMAN MARTIN: All right. Thank  
19 you.

20 And, Ms. Buchanan, I learned of the  
21 intervention that was filed today. Would you  
22 like to appear?

23 MS. BUCHANAN: We do not have a  
24 prehearing conference statement prepared. But I

1 am here and representing Clean Energy New  
2 Hampshire.

3 CHAIRWOMAN MARTIN: Okay. Excellent.  
4 Thank you.

5 MS. BUCHANAN: Thank you.

6 CHAIRWOMAN MARTIN: And Staff,  
7 Mr. Wiesner.

8 MR. WIESNER: Good afternoon,  
9 Commissioners. David Wiesner, representing  
10 Commission Staff. And helping me on this docket  
11 is Staff Attorney Brian Buckley.

12 CHAIRWOMAN MARTIN: All right. Do we  
13 have any preliminary matters that we need to  
14 address, other than the pending motion?

15 I think what we'll do with that, and  
16 since it was filed today, we will treat Clean  
17 Energy New Hampshire as a party for purposes of  
18 this hearing and the technical session, and issue  
19 an order after we've had a chance to look at the  
20 motion. Okay?

21 *[No verbal response.]*

22 CHAIRWOMAN MARTIN: All right. Then,  
23 let's start with Attorney Fossum and your initial  
24 position.

1                   MR. FOSSUM: Thank you. I'll just,  
2                   since -- I'll sort of pick up quickly where you  
3                   left off, and just note for the record that  
4                   Eversource does not intend to object to Clean  
5                   Energy New Hampshire's intervention request.

6                   With that said, and as described in the  
7                   Commission's Order of Notice on this docket,  
8                   we're here to discuss the proper recovery method  
9                   for certain net metering costs. And, with that  
10                  in mind, I want to first be clear about what  
11                  costs we're talking about.

12                 There are a couple of different kinds  
13                 of net metering costs. First, those costs  
14                 associated with Eversource's purchases from  
15                 facilities that are net metered, which are offset  
16                 to some degree by revenue from the ISO. The  
17                 second category of the costs to Eversource, in  
18                 the form of lost distribution revenue, net  
19                 metered customers avoid certain distribution  
20                 charges.

21                 Now, as to that second category, while  
22                 it was referenced in the Order of Notice in this  
23                 docket, I don't believe that it should be an  
24                 issue of focus in the case. Under RSA 362-A:9,

1 VII, it does allow for a utility to seek to  
2 recover that revenue. And, in Order Number  
3 25,991, Commission approved a method for actually  
4 calculating that revenue. And then, through  
5 Order 26,029, in the net metering docket, 16-576,  
6 that method was made applicable to all utilities,  
7 including Eversource.

8 We believe, however, that the most  
9 appropriate venue for dealing with that  
10 particular issue relating to distribution revenue  
11 is a distribution rate case. And Eversource  
12 currently has a case pending.

13 If the Commission does intend to review  
14 those costs here, then we can do that in  
15 consultation with the other parties. But it  
16 seemed to us the more appropriate place for  
17 reviewing that issue was a rate case, where it  
18 can be reviewed in the context of other  
19 distribution rate hearing issues.

20 Looking then at what I set up as the  
21 first category of costs, those related to  
22 purchases from net metered facilities, as noted  
23 in Ms. Menard's testimony, in both Docket DE  
24 20-054, on Eversource's Energy Service rate, as



1 well as DE 20-095, on its stranded cost rate,  
2 these are purchases that are made under RSA  
3 362-A. And, as part of the 2015 Divestiture  
4 Settlement, costs associated with those purchases  
5 should rightly be recovered through the SCRC.  
6 Beyond just conforming with this -- the 2015  
7 Settlement, treatment of those costs in that way  
8 also makes sense in light of other  
9 considerations.

10 And, at the end of the day, without  
11 getting into the legal nuance at this point,  
12 purchasing energy from these facilities is akin  
13 to a QF transaction, where the costs are properly  
14 recovered from all customers, rather than just a  
15 subset of customers that happen to take default  
16 energy service from Eversource.

17 Also, Eversource does not purchase net  
18 metered energy to use as part of a managed  
19 portfolio of energy sources to serve its default  
20 customers. So, having the costs rest with  
21 default service customers alone doesn't make  
22 sense, it's not fair to those customers, and  
23 would likely meaningfully distort the default  
24 service rate.

1           So, ultimately, while we believe the  
2           SCRC is the proper place for recovery of these  
3           costs, Eversource would be indifferent to the  
4           actual mechanism to recover them, so long as they  
5           are recovered appropriately from all customers.

6           We understand the desire and the need  
7           to review the costs, to assure that Eversource  
8           has properly accounted for them. We're ready to  
9           provide the Staff, the OCA, and I guess Clean  
10          Energy New Hampshire as well, the information we  
11          have available to support that review. We are  
12          only looking for the most appropriate, fair, and  
13          equitable means to recover the costs, not more or  
14          less, and are ready to support the review to  
15          arrive at a just and reasonable outcome in the  
16          case.

17                   Thank you.

18           CHAIRWOMAN MARTIN: All right. Thank  
19           you. Any questions on that from the  
20           Commissioners?

21                   Commissioner Bailey.

22           CMSR. BAILEY: Mr. Fossum, I think you  
23           answered my question, but I just want to verify.

24                   So, your position is that these costs

1       should be recovered from all customers. So, we  
2       shouldn't put it in the Default Service rate.  
3       But we could put it in another rate that applies  
4       to all customers other than the SCRC?

5               MR. FOSSUM: I think that would be a  
6       potentially reasonable outcome, yes.

7               CMSR. BAILEY: Okay. Thank you.

8               MR. FOSSUM: Yes. Our general position  
9       is it should not be recovered through the Default  
10      Service rate, but rather from all customers.

11              CMSR. BAILEY: Okay. Thanks.

12              CHAIRWOMAN MARTIN: Okay. Anything  
13      else?

14                    *[No verbal response.]*

15              CHAIRWOMAN MARTIN: All right. Then,  
16      Attorney Kreis.

17              MR. KREIS: Thank you, Chairwoman  
18      Martin. I don't think I have to offer up a very  
19      long peroration this time.

20                    I agree with almost everything I just  
21      heard Mr. Fossum say, which is to say that I  
22      agree that this docket is about the cost recovery  
23      mechanism, not the amount of cost recovery or  
24      even the merits of that cost recovery with

1           respect to net metering.

2                       I agree with Eversource that the  
3       Default Energy Service charge is not the right  
4       place to recover these costs, and that the  
5       Stranded Cost Recovery Charge might or probably  
6       is the right place.

7                       The only place where I might part  
8       company, where I actually do part company with  
9       Eversource, is that I do not believe that the  
10      allocation percentages in the 2015 Asset  
11      Divestiture Agreement should be extended in  
12      perpetuity to every situation that comes up for  
13      discussion about costs to be recovered in the  
14      SCRC. And, so, therefore, I simply don't agree  
15      that that 2015 Agreement should be applicable to  
16      this situation.

17                      That's all I have to say.

18                      CHAIRWOMAN MARTIN: All right. Thank  
19      you. And Attorney Wiesner.

20                      MR. WIESNER: Just as a preliminary  
21      matter, I'll note that Staff also does not object  
22      to Clean Energy's participation in this docket.

23                      With respect to recovery of these types  
24      of costs through the Stranded Cost Recovery

1 Charge, Staff is not persuaded that that's the  
2 appropriate mechanism for cost recovery.

3 As noted by Attorney Kreis, the  
4 Consumer Advocate, we do not challenge the  
5 ability or the authority of the Company to  
6 recover these types of costs from customers. We  
7 also believe that they should be recovered from  
8 all customers, and not just default service  
9 customers. But stranded cost recovery does not  
10 seem appropriate to us, may not be consistent  
11 with the definition of "stranded costs" in the  
12 restructuring statute.

13 But we do support recovery from all  
14 customers through an annually reconciling  
15 mechanism, similar to Unitil's recovery of  
16 similar costs through the External Delivery  
17 Charge, or I should say, more specifically, the  
18 non-transmission portion of that Company's EDC.

19 So, we look forward to discussing with  
20 the Company and other parties the appropriate  
21 cost recovery mechanism. We do see some virtue  
22 in consistent treatment between the utilities, as  
23 opposed to differential treatment, which would  
24 not seem to be warranted.

1           And I'll just note that there was  
2           another question about whether these types of  
3           costs should be recovered from all customers on,  
4           effectively, a nonbypassable basis for net  
5           metered customers, or on a basis that would,  
6           effectively, be bypassable, in particular, for  
7           small customer generators on the alternative net  
8           metering tariff.

9           So, we'll begin exploring those issues  
10          with the Parties and the Company during the  
11          technical session that follows this prehearing  
12          conference. And we'll try to map out a path  
13          forward, and report that back to the Commission  
14          as soon as possible.

15          CHAIRWOMAN MARTIN: All right. Thank  
16          you.

17          And, Attorney Kreis, are you prepared  
18          to let us know your position on the Motion to  
19          Intervene at this point or would you like to wait  
20          and have time?

21          MR. KREIS: No. I apologize, Madam  
22          Chairwoman. I simply forgot to say that the OCA  
23          has no objection to Clean Energy New Hampshire's  
24          Petition for Intervention.

1 CHAIRWOMAN MARTIN: Okay. Thank you.  
2 Any other matters we need to address  
3 before the technical session?

4 Attorney Fossum.

5 MR. FOSSUM: Not strictly  
6 docket-related, but I didn't know if I'd get  
7 another opportunity. So, I just wanted to wish  
8 Commissioner Giaimo well. I understand he's got  
9 a change something soon. And I just wanted to  
10 take five seconds to thank him for his service  
11 and wish him well.

12 CMSR. GIAIMO: Thank you. Appreciate  
13 it.

14 CHAIRWOMAN MARTIN: Thank you for that.  
15 Okay. Then, we will let you get off to the  
16 technical session. Thank you, everyone. We are  
17 adjourned.

18 **(Whereupon the prehearing conference**  
19 **was adjourned at 1:19 p.m., and a**  
20 **technical session was held thereafter.)**

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