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**I N D E X**

**PAGE NO.**

<b>WITNESS PANEL:</b>	<b>RUSSEL D. JOHNSON</b>	
	<b>ROBERT D. ALLEN</b>	
	<b>MARISA B. PARUTA</b>	
	<b>EDWARD A. DAVIS</b>	
Direct examination by Ms. Ralston		6
Cross-examination by Mr. Dexter		17, 100
Interrogatories by Cmsr. Simpson	95, 104, 156, 158	
Interrogatories by Chairman Goldner	142, 156, 160	
Redirect examination by Ms. Ralston		177
<i>QUESTION BY CMSR. SIMPSON TO ATTY. DEXTER</i>		89
 <b>CLOSING ARGUMENTS BY:</b>		
	Mr. Dexter	183
	Ms. Ralston	190
 <b>QUESTIONS BY:</b>		
	Chairman Goldner	186, 187, 189

1  
2  
3  
4  
5  
6  
7  
8  
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13  
14  
15  
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**E X H I B I T S**

<b>EXHIBIT NO.</b>	<b>D E S C R I P T I O N</b>	<b>PAGE NO.</b>
1	Prefiled Testimony and Supporting Attachments of Robert D. Allen, Jennifer J. Hebsch, and Russel D. Johnson (03-01-22)	<i>premarked</i>
2	Prefiled Testimony of Marisa B. Paruta and Edward A. Davis (04-29-22)	<i>premarked</i>
3	Attachments MBP-EAD-1 through 9 (06-03-22)	<i>premarked</i>
4	Prefiled Testimony and Supporting Attachments of Edward A. Davis (04-29-22)	<i>premarked</i>
5	Response to Data Request DOE 1-9	<i>premarked</i>
6	Revised Attachments MBP-EAD-1 through 9 (06-16-22)	<i>premarked</i>
7	<b>RESERVED FOR RECORD REQUEST</b> (See description of the Record Request as provided by Atty. Dexter at <b>Pages 64 &amp; 179</b> )	179

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2  
3  
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**P R O C E E D I N G**

CHAIRMAN GOLDNER: Okay. Good morning. I'm Commissioner Goldner. I'm joined by Commissioner Simpson.

We're here today in Docket DE 22-010 regarding the Eversource Energy 2022 Regulatory Reconciliation Adjustment.

Let's take appearances, beginning with Eversource.

MS. RALSTON: Jessica Ralston, from the law firm of Keegan Werlin, on behalf of Eversource Energy.

CHAIRMAN GOLDNER: Thank you. And the New Hampshire Department of Energy.

MR. DEXTER: Good morning, Chairman Goldner, Commissioner Simpson. Paul Dexter, appearing on behalf of the Department of Energy.

CHAIRMAN GOLDNER: Very good. For preliminary matters, we have Exhibits 1 through 6 prefiled and premarked for identification. Any material identified as "confidential" in the filings will be treated as confidential during the hearing.

Is there anything else that we need to

1 cover regarding exhibits?

2 [No verbal response.]

3 CHAIRMAN GOLDNER: No? Seeing none.  
4 Are there any other preliminary matters, before  
5 we have the witnesses sworn in?

6 MS. RALSTON: I just wanted to note  
7 that we had previously asked for permission to  
8 have Witness Edward Davis participate remotely.  
9 And, now, due to a COVID exposure, we also have  
10 Marisa Paruta participating remotely.

11 I just wanted to make sure all the  
12 parties were aware of that last-minute change.

13 CHAIRMAN GOLDNER: Okay. Are there any  
14 concerns from the New Hampshire Department of  
15 Energy?

16 MR. DEXTER: No. The Department of  
17 Energy supports that approach. Thank you.

18 CHAIRMAN GOLDNER: Okay. Very good.  
19 Anything else, Attorney Ralston?

20 MS. RALSTON: No.

21 CHAIRMAN GOLDNER: Okay. Okay, very  
22 good.

23 Mr. Patnaude, if you could swear in the  
24 witnesses please.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 (Whereupon **RUSSEL D. JOHNSON,**  
2 **ROBERT D. ALLEN, MARISA B. PARUTA,** and  
3 **EDWARD A. DAVIS** were duly sworn by the  
4 Court Reporter.)

5 CHAIRMAN GOLDNER: Okay. Very good.  
6 We'll begin with the Company, and Attorney  
7 Ralston.

8 MS. RALSTON: Thank you.

9 **RUSSEL D. JOHNSON, SWORN**  
10 **ROBERT D. ALLEN, SWORN**  
11 **MARISA B. PARUTA, SWORN**  
12 **EDWARD A. DAVIS, SWORN**

13 **DIRECT EXAMINATION**

14 BY MS. RALSTON:

15 Q And I'll begin with Mr. Johnson. Would you  
16 please state your full name, Company position,  
17 and responsibilities?

18 A (Johnson) My name is Russel Johnson. I am the  
19 Director of Distribution Engineering. I am  
20 responsible for optimizing performance of the  
21 distribution system assets in New Hampshire, and  
22 ensuring customer reliability.

23 Q And are you familiar with the exhibit that has  
24 been marked as "Exhibit 1", which is your joint

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 testimony and supporting attachments,  
2 co-sponsored with Jennifer Hebsch and Robert  
3 Allen?

4 A (Johnson) Yes, I am.

5 Q And what parts of that testimony were you  
6 responsible for?

7 A (Johnson) I was responsible for Part V of the  
8 initial testimony, regarding the Company's  
9 "Reliability Performance in 2021", and the  
10 Reliability Report, included as Attachment  
11 RDA/JJH/RDJ-3.

12 Q And what parts of that exhibit was Ms. Hebsch  
13 responsible for?

14 A (Johnson) Ms. Hebsch was also responsible for  
15 Part V of the initial testimony, regarding the  
16 Company's "Reliability Performance in 2021", and  
17 also the Reliability Report included by the same  
18 attachment.

19 Q And do you have any corrections or amendments to  
20 your Exhibit 1?

21 A (Johnson) No, I do not.

22 Q And are you adopting those portions of Exhibit 1  
23 that you and Ms. Hebsch were responsible for as  
24 part of your sworn testimony today?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Johnson) Yes, I am.

2 Q Thank you. Mr. Allen, would you please state  
3 your full name, Company position, and  
4 responsibilities?

5 A (Allen) Yes. Good morning. Robert Allen,  
6 Manager of Vegetation Management for Eversource.  
7 I'm responsible for providing support to the  
8 Company's New Hampshire Vegetation Management  
9 Program.

10 Q And are you familiar with the exhibit marked as  
11 "Exhibit 1", which is your joint testimony and  
12 supporting attachments, co-sponsored with  
13 Jennifer Hebsch and Russel Johnson?

14 A (Allen) Yes, I am.

15 Q And what parts of that testimony were you  
16 responsible for?

17 A (Allen) I'm responsible for Parts II, III, and IV  
18 of the initial testimony, regarding the Company's  
19 "Vegetation Management Program", the Company's  
20 Vegetation Management performance in 2021, and  
21 the Company's Vegetation Management Plan for  
22 2022.

23 I'm also responsible for the  
24 attachments labeled as "RDA/JJH/RDJ-1" and "2".

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           These attachments provide the Company's 2021  
2           Vegetation Management Plan and Performance  
3           Report, and the Company's 2022 Vegetation  
4           Management Plan proposal.

5   Q       And do you have any corrections or amendments to  
6           Exhibit 1?

7   A       (Allen) No, I do not.

8   Q       And are you adopting those portions of Exhibit 1  
9           that you were responsible for as part of your  
10          sworn testimony today?

11   A       (Allen) Yes, I am.

12   Q       Thank you. Ms. Paruta, would you please state  
13          your full name, Company position, and  
14          responsibilities?

15   A       (Paruta) Yes. Good morning. Can everyone hear  
16          me okay?

17   Q       We can.

18   A       (Paruta) My name is Marisa Paruta. And I'm the  
19          Director of New Hampshire and Connecticut Revenue  
20          Requirements. And, in that role, I'm responsible  
21          for the coordination, implementation of the  
22          revenue requirements and the cost of service  
23          calculations, regulatory filings, and any  
24          associated revenue requirements correspondence

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 and necessities due for both New Hampshire and  
2 Connecticut. And that is for both our electric  
3 and natural gas utility companies for Eversource  
4 Energy.

5 Q Thank you. And are you familiar with the exhibit  
6 marked as "Exhibit 2", which is your joint  
7 testimony with Edward Davis, that was filed on  
8 April 29th, 2022?

9 A (Paruta) Yes, I am.

10 Q And what portion of Exhibit 2 are you responsible  
11 for?

12 A (Paruta) I'm responsible for the calculation of  
13 the RRA components that relate to the regulatory  
14 assessments, the vegetation management costs, the  
15 property tax expense reconciliation, the storm  
16 cost amortization reconciliation, and the rate  
17 case expense amortization reconciliation.

18 Q And are you also familiar with the exhibits that  
19 have been marked as "Exhibits 3" and "6", which  
20 are Attachments MBP/EAD-1 through 9, as filed on  
21 June 3rd and June 16th of 2022?

22 A (Paruta) Yes, I am.

23 Q And does Exhibit 6 replace Exhibit 3 as the  
24 correct version of these attachments?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Paruta) Yes, it does.

2 Q And are you familiar with the exhibit that has  
3 been marked as "Exhibit 5", which is the  
4 Company's response to Data Request DOE 1-9, and  
5 that was sponsored by you?

6 A (Paruta) Yes, I am.

7 Q Do you have any changes or amendments to Exhibits  
8 2, 3, 5, or 6?

9 A (Paruta) I do not. All the necessary changes  
10 have been made to Exhibit -- that have been made  
11 to Exhibit 3, those are reflected in the  
12 Exhibit 6, as we filed on June 16th.

13 Q And do you adopt Exhibits 2, 3, 5, and 6 as part  
14 of your sworn testimony today?

15 A (Paruta) Yes, I do.

16 Q Thank you. Mr. Davis, would you please state  
17 your full name, Company position, and your  
18 responsibilities for purposes of this docket?

19 A (Davis) Yes. Good morning. My name is Edward  
20 Davis. And I am the Director of Rates for  
21 Eversource Energy.

22 Q And what are your responsibilities in that role?

23 A (Davis) So, in that role, I'm responsible for  
24 activities related to rate design, cost of

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 service, and rates administration, for the  
2 Connecticut, Massachusetts, and New Hampshire  
3 operating companies.

4 Q And are you familiar with the exhibit marked as  
5 "Exhibit 2", which is your joint testimony with  
6 Marisa Paruta, that was filed on April 29th,  
7 2022?

8 A (Davis) Yes, I am.

9 Q And what portion of Exhibit 2 are you responsible  
10 for?

11 A (Davis) I am responsible for the calculation of  
12 the lost base revenue component of the proposed  
13 RRA rate. They're included -- that's included in  
14 this exhibit. And for application of the  
15 components of the RRA to calculate the overall  
16 RRA rate, and calculations of individual RRA  
17 rates by rate class, as well as bill impacts and  
18 tariff changes.

19 Q And are you familiar with the exhibits marked as  
20 "Exhibits 3" and "6", which are Attachment  
21 MBP/EAD-1 through 9, as filed on June 3rd and  
22 June 16th of 2022?

23 A (Davis) Yes, I am.

24 Q And does Exhibit 6 replace Exhibit 3 as the

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 correct version of these attachments?

2 A (Davis) Yes, it does.

3 Q Are you familiar with the exhibit marked as  
4 "Exhibit 4", which is your testimony and  
5 supporting attachments, filed on April 29th of  
6 2022 regarding lost base revenues due to net  
7 metering?

8 A (Davis) Yes, I am.

9 Q Do you have any corrections or amendments to  
10 Exhibits 2, 3, 4, or 6?

11 A (Davis) I do not. All necessary changes to  
12 Exhibit 3 are reflected in Exhibit 6, as filed on  
13 June 16th, 2022. And I have no further changes  
14 to these exhibits.

15 Q Do you adopt Exhibits 2, 3, 4, and 6 as part of  
16 your sworn testimony today?

17 A (Davis) Yes, I do.

18 Q Thank you. Ms. Paruta, the Company filed revised  
19 versions of Attachments MBP/EAD-1 through 9 on  
20 June 3rd, and again on June 16th. Could you  
21 provide a brief summary of the changes that were  
22 included in these revised versions of the  
23 attachments?

24 A (Paruta) Yes. The Company filed revised versions

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 of these attachments on June 3rd, marked as  
2 "Exhibit 3", to incorporate, essentially, what  
3 I'm call "four revisions".

4 So, the first one is that the  
5 Commission issued Order 26,634, in Docket 19-057,  
6 directing the Company to recover certain rate  
7 case expenses through the RRA, and that would  
8 become effective August 1, 2022, so, within this  
9 rate filing. And this change was reflected and  
10 updated via Attachment MBP/EAD-7.

11 The second component, because the  
12 Company had an opportunity to file an updated  
13 rate, the entirety of the rate mechanism we are  
14 filing, we took that opportunity, as we were  
15 including that rate case expense, to also update  
16 the revenues for the month of April 2022, which  
17 initially had estimates for April 2022 for those  
18 revenues in the original filing. And, so, the  
19 Company felt it was appropriate to do that.

20 In addition to that, Attachment  
21 MBP/EAD-8 was updated to provide the bill impact  
22 comparisons that included the System Benefit  
23 Charge change that became effective May 1, 2022.  
24 So, that was a new development within that

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           timeframe.

2                       And then, the last, the fourth and  
3           last, was that MBP/EAD-9 was updated to reflect  
4           the proposed tariff revisions.

5   Q    Thank you.  And then, could you briefly explain  
6           the revisions made in the attachments as filed on  
7           June 16th?

8   A    (Paruta) Yes.  So, then, the Company filed  
9           additional revisions to the versions of those  
10          attachments, marked as "Exhibit 6".  The Company  
11          became aware of the need to make additional  
12          revisions to Attachment MBP/EAD-4, to reflect a  
13          property tax adjustment for the Town of Bow,  
14          through the process of responding to a data  
15          request from the Department of Energy, and that  
16          was Data Request 1-9 that has been marked as  
17          "Exhibit 5".

18                       The Company and the Department of  
19          Energy held a technical session on June 16th.  
20          During that discussion, and through additional  
21          research, we determined that an additional  
22          revision was necessary to remove the carrying  
23          charge on the rate case expense included in the  
24          June 3rd filing that is marked as "Exhibit 3",

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 resulting in a decrease of \$5,000 to the  
2 Company's calculation.

3 And then, in addition, Exhibit 6  
4 includes the revisions in the Attachments  
5 MBP/EAD-1, 4, 7, and 8, and Attachment MBP/EAD-9,  
6 included in Exhibit 6, provides that revised  
7 tariff pages, all of those revised tariff pages  
8 to reflect these changes.

9 Q Thank you. And what is the impact to the RRA  
10 rate proposal as a result of these revisions?

11 A (Paruta) So, the proposed RRA rate adjustment, as  
12 filed, was 0.027 cents per kilowatt-hour in the  
13 Company's April 29, 2022 original filing. The  
14 incorporation of the revisions that I just walked  
15 through, included in the June 30th and the June  
16 16 -- June 3rd, excuse me, and June 16th  
17 revisions, ended up changing the rate adjustment  
18 to a 0.034 cents per kilowatt-hour.

19 Q And what is the bill impact for an average  
20 residential customer associated with the June  
21 16th, 2022 proposed RRA rate adjustment?

22 A (Paruta) Yes. So, in the final Exhibit 6 that  
23 was filed, Attachment MBP/EAD-8, it's Bates  
24 Page 043, a residential customer using 550

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 kilowatt-hours a month will see an increase of  
2 43 cents a month; a 600 kilowatt-hour customer  
3 increase will be about 47 cents; and then a 650  
4 kilowatt-hour monthly usage would see an increase  
5 of 51 cents. And these increases are about a 0.3  
6 percent change from current total bills.

7 Q Thank you. And does this proposed adjustment  
8 result in rates that are just and reasonable?

9 A (Paruta) Yes, it does.

10 MS. RALSTON: Thank you. The witnesses  
11 are available for cross-examination.

12 CHAIRMAN GOLDNER: Thank you. We'll  
13 move to Attorney Dexter.

14 MR. DEXTER: Thank you, Chairman.

15 **CROSS-EXAMINATION**

16 BY MR. DEXTER:

17 Q Well, I guess I'll start with Ms. Paruta, because  
18 I just want to maybe capsulize I think what I  
19 just heard, in terms of revisions. And let me  
20 see if I have this right.

21 The June 3rd revision, which is Exhibit  
22 3, was prompted by the approval of recovery of  
23 rate case expenses, correct?

24 A (Paruta) That is correct.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q And the other changes you made sort of flowed  
2 from that revision for rate case expenses,  
3 correct?

4 A (Paruta) That is correct.

5 Q And I think you said you took the opportunity to  
6 update for some actual revenues in the June 3rd  
7 Exhibit 3, is that right?

8 A (Paruta) Correct. The Company took the  
9 opportunity to update the April, and reflect  
10 actuals.

11 Q Okay. And that would have increased the RRA, as  
12 compared to what was filed back in April,  
13 correct, because you're adding in rate case  
14 expenses, is that right?

15 A (Paruta) Yes, it did. Yes, it did.

16 Q Okay. And then, the essence of the June 6th  
17 update, as I understood it, had two components,  
18 one also related to rate case expenses, and you  
19 said that, with respect to the rate case  
20 expenses, you zeroed out any interest on  
21 unrecovered balances, is that right?

22 A (Paruta) Correct.

23 Q And the second substantive change had to do with  
24 the property tax component of the RRA, is that

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 right?

2 A (Paruta) That's correct.

3 Q Okay. And then, again, the tariffs and the other  
4 calculations just flowed from that. Is that  
5 right?

6 A (Paruta) That is correct.

7 Q Okay. All right. So, we'll get into each of  
8 those substantive changes in a little bit. I  
9 just wanted to sort of make sure that's what was  
10 included in the updates.

11 So, I did want to actually start with a  
12 few questions on the reliability statistics that  
13 were provided. And, for that, I'm going to  
14 direct the witnesses' attention to Exhibit 1,  
15 Page 59. And this page, if I have the right  
16 page, includes four charts. And it's titled  
17 "Section 1.3". Is that right? Do I have the --  
18 are we on the same page?

19 A (Johnson) On my version, I have Page 61.

20 Q I'm sorry. I meant to go to Page 59, which is  
21 actually Section 1.1. I was on the wrong page.  
22 So, if we can go to Bates 059 in Exhibit 1, is it  
23 right that that has four charts that are entitled  
24 "Section 1.1"?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Johnson) Yes.

2 Q Okay. Good. Could you explain what those four  
3 charts show, and take them in any order that you  
4 like?

5 A (Johnson) Sure. Starting in the top left, this  
6 was the 2017 to 2021 chart for the System Average  
7 Interruption Frequency Index. Basically, that is  
8 a calculation of the number of interruptions, on  
9 average, for the customers within the service  
10 territory. You can see, from 2017, for example,  
11 it's "1.1", and, for 2021, it's down to, I should  
12 have brought my glasses, "0.83", I believe that  
13 says. So, again, that's a frequency of  
14 interruption metric.

15 Q And, actually, I will interrupt, and if you don't  
16 mind, we'll go chart by chart, because I probably  
17 have a couple questions on each.

18 A (Johnson) Sure.

19 Q So, is it safe to say that the lower number on  
20 this chart is a positive thing, from the  
21 Company's perspective and the customers'  
22 perspective?

23 A (Johnson) That is correct.

24 Q Okay. And that's because the "F" in "SAIFI"

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 stands for "frequency", and this means fewer  
2 interruptions?

3 A (Johnson) Correct.

4 Q Is that essentially it?

5 A (Johnson) That is correct.

6 Q Okay. And this is for the entire system,  
7 correct?

8 A (Johnson) Yes. Well, for the distribution. This  
9 is for distribution outages only.

10 Q Sure. The entire distribution system?

11 A (Johnson) Yes.

12 Q Okay. Okay. And it says it's an "index". But a  
13 "1", in this instance, would equal -- well, what  
14 would a "1" equal?

15 A (Johnson) One interruption per year for the  
16 average customer.

17 Q For the average customer, okay. Okay. So, maybe  
18 you can go to the next chart then.

19 A (Johnson) Okay. On the top right, this is the  
20 chart for CAIDI, which is the "Customer Average  
21 Interruption Duration Index". And this is the  
22 average duration per interruption. And, in this  
23 particular case, a lower number is better, a  
24 higher number is worse. It represents the

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 duration of the interruption. And I can speak to  
2 that.

3 As the Company has continued to add  
4 more and more automation to the system, our  
5 ability to restore the bulk of customers in under  
6 five minutes has increased dramatically. And,  
7 so, what we are left with, at that point, is a  
8 smaller number of customers, however, at that  
9 point, there's no further generally switching  
10 that can be done. So, those customers bear the  
11 full duration of the outage.

12 So, you know, that is -- you know, that  
13 is typical. That, as you continue to break those  
14 customer blocks, your ability to restore those  
15 customer blocks and be left with a smaller  
16 increment, that that number is challenging, it  
17 goes up.

18 Q You mentioned a "duration of five minutes". Are  
19 durations under five minutes not counted in this  
20 chart, is that --

21 A (Johnson) That's correct.

22 Q Okay.

23 A (Johnson) That's correct.

24 Q Okay. Could you explain the "C" in "CAIDI", as

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 compared to the "S" in "SAIFI" from the first  
2 chart?

3 A (Johnson) Sure. Again, the "S" stands for  
4 "system". So, in other words, it is looking at  
5 all 530,000, roughly, customers in that  
6 calculation. The CAIDI is down to a -- it's an  
7 individual customer duration.

8 So, you know, other than that, you  
9 know, that's the acronym. You know, the  
10 calculation is simply, for CAIDI, is simply the  
11 total customer minutes interrupted, divided by  
12 the number of customers interrupted, which gives  
13 you the duration.

14 Q Okay. So, it stands for "customer", not  
15 "circuit"?

16 A (Johnson) Correct.

17 Q Okay. And, so, an average customer that had a  
18 duration longer than five minutes in 2021, that  
19 duration was "116 minutes"?

20 A (Johnson) That is correct.

21 Q Am I reading that right? Okay. And that appears  
22 to be -- that chart appears to be trending  
23 upward, although 2021 had a decrease from 2020.  
24 And I think you explained that trend. But is

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           that what your explanation was earlier?

2   A       (Johnson) Yes.   Yes.

3   Q       Okay.

4   A       (Johnson) And I can add to that.   I mean,  
5           historically, before you had automation on a  
6           switch or a device, you could get a crew to that  
7           device in, let's say, 30 minutes and open it.  
8           And, so, for all those customers restored in 30  
9           minutes, it helps pull down the average of the  
10          duration.

11                       Whereas, today, we're doing that  
12          operation remotely in under five minutes.   And,  
13          so, it doesn't count towards into the  
14          calculation.

15   Q       And can you read these two charts together to  
16          draw a conclusion along the lines of "the average  
17          customer sees about one duration per year, and  
18          that duration lasts for about 116 minutes"?

19   A       (Johnson) That is true.   They are independent  
20          indices, but the conclusion that you draw is  
21          correct.

22   Q       Okay.   Okay.   Could you move to the next chart  
23          please?

24   A       (Johnson) Sure.   On the lower left is the chart

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 for SAIDI, which is the "System Average  
2 Interruption Duration". And what this represents  
3 is the duration that the average customer sees in  
4 a year. This varies from the CAIDI calculation,  
5 in that this is the total, you know, the  
6 accumulated duration that a customer would see,  
7 whereas the CAIDI is just for the single event.

8 So, the System Average Interruption  
9 Duration you can see has dropped from, roughly,  
10 "118", I believe that says, down to "97" in 2021.  
11 And, again, a lower value here is an improved  
12 performance.

13 Q And if you wouldn't mind again, just I'm having a  
14 hard time understanding why the CAIDI and the  
15 SAIDI numbers aren't the same, if they're both  
16 measuring customer duration on the whole system?

17 A (Johnson) Because a customer may experience more  
18 than one interruption. So, CAIDI is, per  
19 interruption, what is the average duration?  
20 Whereas, the SAIDI is the total average duration  
21 of outages that a customer experiences over a  
22 year.

23 Q And some customers may have no interruptions, is  
24 that why that SAIDI number would --

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Johnson) That's correct.

2 Q -- could be lower?

3 A (Johnson) Correct. Many customers have no  
4 interruptions, that is correct.

5 Q Okay. Thank you. And then, the last chart  
6 please?

7 A (Johnson) The last chart is "CIII", C-I-I-I, and  
8 this is the -- it's an index that gives the  
9 average number of customers interrupted per  
10 event. So, again, a lower number is better here.

11 And, as the Company has added  
12 additional protective devices, has improved  
13 automation on the system, the average number of  
14 customers that see an outage greater than five  
15 minutes per event, you know, that has been  
16 reduced.

17 Q And all of these charts show five years of  
18 information, correct?

19 A (Johnson) That is correct.

20 Q Is it Eversource's assessment that, for the most  
21 part, these five -- the five years of information  
22 presented on these four charts shows improvement  
23 or, you know, movement in a positive direction,  
24 as far as reliability and interruptions?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Johnson) It does.

2 Q And we don't have the information for the prior  
3 five years. But, if one were to go back to, say,  
4 2013 through 2016, or 2012 through 2016, would we  
5 expect to see generally higher numbers than  
6 these, or lower, or is it not that dramatic?

7 A (Johnson) It actually is quite dramatic. The  
8 performance has improved significantly. Now, I  
9 will note that SAIDI is really a measure of a  
10 combination of SAIFI and CAIDI. And, so, we  
11 have -- there's been significant improvement in  
12 SAIFI, which is that frequency part of it. And,  
13 of course, that creates challenges on the CAIDI  
14 side. But the overall SAIDI, System Average  
15 Interruption Duration Index, has been reduced  
16 significantly over the last ten years.

17 Q And I know you have a big system, with several  
18 different areas, but if you could just generally  
19 indicate your reasons for the positive results  
20 that you're testifying to today please?

21 A (Johnson) Sure. The big reasons are the addition  
22 of SCADA-controlled or remotely-controlled  
23 devices, which not only allow our dispatchers to  
24 restore power quickly, but they also provide

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 intelligence as to fault locating and where the  
2 problem is on the system, so that we can direct  
3 crews directly to that location, and, for even  
4 those areas, improve the response time to that.

5 A second is is we have constructed a  
6 significant number of circuit ties. So, when you  
7 have radial circuits, or circuits with just one  
8 source, and they're fed radially, when you lose  
9 that source, you lose all those customers for the  
10 duration of the outage. With the construction of  
11 circuit ties, we have the ability to backfeed  
12 those circuits.

13 So, that combination of distribution  
14 automation, with the construction of circuit  
15 ties, has had a significant impact. But it's  
16 not -- I'll note that our improvement is not just  
17 simply on the additional equipment and  
18 construction, but it's also on operating  
19 methodologies. I mean, the way that we go about  
20 restoring troubles, the operations of the Control  
21 Center to restore those customers in under five  
22 minutes, the addition of troubleshooters to the  
23 organization, which are, you know, dedicated  
24 towards restoration, have all had significant

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 impact on improving reliability.

2 Q Thanks. I'd like to go to Page 65 through 68 in  
3 Exhibit 1. And these are some pie charts. And I  
4 think these are the same criteria, I see "SAIDI"  
5 and "SAIFI" again. And, for instance, on Page  
6 65 -- well, that's 2017. So, let's go to 2021,  
7 which is Page 69, we have a pie chart. And I see  
8 that you've broken down the SAIDI and the SAIFI  
9 by categories.

10 So, I didn't do the math, but, if I  
11 were to, for instance, for the SAIDI, add up all  
12 those numbers, would I get to the number that was  
13 on the chart that we were just talking about on  
14 Page 59?

15 A (Johnson) Yes.

16 Q So, you can break down the duration by type of  
17 incident, is that right?

18 A (Johnson) That's correct.

19 Q Okay. And the overwhelming majority is  
20 tree-related on this chart, is that correct?

21 A (Johnson) Correct.

22 Q Okay. And is the same true for the SAIFI, if I  
23 were to add up all these numbers, would I get to  
24 the total number that was on Page 59?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Johnson) I have to think about the math on that.  
2 I believe that is the case, yes.

3 Q But, again, the point of this, maybe not the  
4 point of it, but an obvious conclusion to draw  
5 from this chart is that both the duration and the  
6 frequency of interruptions is primarily caused by  
7 tree-related incidents?

8 A (Johnson) That's correct.

9 Q Okay.

10 A (Johnson) And, if I may, I should have added  
11 earlier, obviously, but, you know, the other  
12 contributor towards performance is, you know, our  
13 Veg. Management Program, which Bob will, I'm  
14 sure, speak to in detail later.

15 Q Sure. Okay. Well, I did want to move to veg.  
16 management quickly. We have a lot to cover today  
17 in a short time. So, I'm going to move on to  
18 veg. management.

19 And I would like to go to Exhibit 1,  
20 Bates Page 023. It's going to take me a minute  
21 to get there.

22 And, so, is it correct that, if one  
23 were to look for where the veg. management costs  
24 were summarized in one table, that this would be

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 the best place to look in Exhibit 1?

2 A (Allen) Yes. That's correct.

3 Q Okay. And this is a comparison of your 2021  
4 planned vegetation activities versus actual, is  
5 that correct?

6 A (Allen) Yes, it is.

7 Q And, again, I don't like to overgeneralize, but  
8 it seems to me that, generally speaking, 2021  
9 actuals came in roughly according to plan, would  
10 you agree with that?

11 A (Allen) Yes.

12 Q And, if I were to look at -- we're going to get  
13 to the RRA in a second, but, if I were to look at  
14 that figure at the bottom right-hand corner, of  
15 "\$822,947", that's the amount that's proposed for  
16 recovery in this case, in the RRA portion of the  
17 filing, is that right? Maybe plus some  
18 over-/under-recoveries and some interest, but,  
19 from a veg. management standpoint, that's what's  
20 sought for recovery here, is that right?

21 A (Allen) To the best of my knowledge, yes.

22 Q Okay. And, as I said, we'll get into that in a  
23 minute with the other witnesses.

24 So, we've been looking at veg.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 management programs for other utilities in other  
2 dockets, and we've heard a lot about significant  
3 cost increases from contractors.

4 And is it fair to say that Eversource  
5 did not experience significant cost increases  
6 from contractors in 2021 planned versus actual?

7 A (Allen) 2021 was the first year of our four-year  
8 contract. And we did have an increase from 2020,  
9 the last year of the previous four-year contract.

10 Q Okay. But, for 2021, in terms of what you  
11 planned, your contractor costs came in fairly  
12 close to -- actual came in fairly close to  
13 planned, correct?

14 A (Allen) Yes. That's correct.

15 Q And you mentioned a "four-year contract". So,  
16 then, can I conclude that the four years are  
17 2020 -- I'm sorry -- 2021, 2022, 2023, and 2024?

18 A (Allen) That's correct.

19 Q And, are the contractor costs fixed over those  
20 four-year periods or are they subject to  
21 escalation?

22 A (Allen) 2021 and 2022 are fixed, and then 2023  
23 and '24 would be subject to escalation, or  
24 reduction, depending upon the performance.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q Okay. And what would be the criteria for -- is  
2 it a renegotiation situation or is there some  
3 sort of scale, or how will that work in the  
4 future adjustments?

5 A (Allen) Yes. So, in the contract, there is a  
6 scorecard, with metrics, that is based on how  
7 many miles they complete, problems that might  
8 have occurred with customers or with safety. And  
9 then, how we address those. And we look at them  
10 every month.

11 So, we also measure them for go-backs,  
12 which are trimming that isn't done to standard,  
13 and we make them go back. And we do 100 percent  
14 quality control.

15 So, all those things are factored in.  
16 And, after 18 months, and then, again, after 30  
17 months, we look at the contractor and at their  
18 performance, and Procurement starts to  
19 renegotiate with them.

20 Q And, for this "Scheduled Maintenance Trim", which  
21 is the largest figure in this chart on Bates Page  
22 023, it has a gross cost of about 16 million  
23 planned, and a gross actual cost of about 15 and  
24 a half million, is there one contractor involved

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 or are there multiple for that line item?

2 A (Allen) There's multiple for that line item.

3 Q And could you indicate who they are, and if one  
4 of them plays a major role, who that is? Unless  
5 that's confidential, I don't believe it is?

6 A (Allen) No, it's not. Asplundh has the most  
7 miles, Asplundh Tree Expert Company, followed by  
8 Lewis Tree, Northern Tree, and Lucas, and Nelson.  
9 So, we have five different contractors doing it  
10 this year.

11 Q And were those contractors acquired through an  
12 RFP process?

13 A (Allen) They were.

14 Q Very good. On this page, on Line 6, I see a line  
15 called "Police/Flagging", and I see zeros or  
16 dashes across the board. This has been  
17 highlighted by other utilities as a significant  
18 area of cost. Could you explain why that number  
19 is zero on this chart?

20 A (Allen) Sure. Part of our contract strategy is  
21 to have the contractor pay for the police. So,  
22 they assume that risk as to what that will happen  
23 to be in any given town. It seems to have  
24 reduced our cost a little bit, as far as us

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           having to maintain the relationships with the  
2           police departments, where it's now being done by  
3           the contractor. So, we don't have to follow  
4           through on all the billing portions, which is a  
5           savings for us. So, --

6   Q       Is -- I'm sorry, I didn't mean to interrupt?

7   A       (Allen) No, that's all right.

8   Q       Is this something that's new with this four-year  
9           cycle or has this been in place in the past?

10  A       (Allen) It was in the last contract as well.

11  Q       The last four-year contract?

12  A       (Allen) Yes.

13  Q       Okay. And, lastly, on veg. management, again,  
14           because we have a lot to cover, Line 14 on this  
15           page indicates the miles that were Scheduled  
16           Maintenance Trim and the Enhanced Tree Trimming,  
17           I see "81 miles" variance, so, I guess actual was  
18           81 miles lower than planned. Would you consider  
19           that to be a significant variance, planned versus  
20           actual, or is that something you might expect to  
21           see in the ordinary course?

22  A       (Allen) The reason the variance was there was due  
23           to storm -- storms, where we had to go and work  
24           on storms across the system. Those 81 miles were

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 not out of compliance. They were ones that we  
2 could afford not to do to stay on the five-year  
3 cycle.

4 Q Okay. And, turning -- I said "no more questions  
5 on veg. management", but I do have one. If we go  
6 to Bates Page 039 in this exhibit. This is the  
7 budget activities for 2022 broken down into those  
8 same categories, would you agree?

9 A (Allen) I don't have that as 039. So -- okay,  
10 thanks, Marisa. Yes, that's correct.

11 Q And, on a total basis, do you have a percentage  
12 that you could give as a projected increase, 2022  
13 versus 2021 planned, or 2021 actual, or both?

14 A (Allen) I don't, on a percentage basis, no. The  
15 cost per mile is locked in. So, it's a question  
16 of how many miles we do to give you that top  
17 figure on SMT.

18 Q Does this budget show any sort of a significant  
19 increase in 2022 versus 2021?

20 A (Allen) From the actual, I believe it's an  
21 increase. But I don't think it's -- this is our  
22 projection, we're not sure what the final's tally  
23 is going to be.

24 Q Okay. But, again, from other utilities, we're

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 hearing about significant double-digit increases.  
2 That's not what you're experiencing?

3 A (Allen) No. We saw it coming into this contract.  
4 But, since these prices are locked in for two  
5 years, we feel comfortable that there is not  
6 going to be that big of a change between 2021 and  
7 2022.

8 Q Okay. And, again, on the "Police/Flagging", I  
9 notice that "\$100,000" shows up in the 2022  
10 budget, versus the zero for the 2021. Could you  
11 explain what that is?

12 A (Allen) That's a projection, just in case we do  
13 need to use them. We didn't in the year before.  
14 There are occasions where a job might come up  
15 that we weren't expecting to have to do, and the  
16 contractor would then be utilized on a  
17 cost/material basis, and we'd use a cop for that.

18 Q Okay. Okay. So, then, I'd like to move into  
19 some questions about the RRA, which is proposed  
20 for recovery here. And I'd like to start with  
21 Exhibit 6, Bates Page 004.

22 And is it correct that this is where  
23 I'd find a summary of all the costs that are  
24 proposed for recovery in this case?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Paruta) That is correct.

2 Q And I have a couple questions on Line 3, which is  
3 "Property Taxes". Can you explain, at a high  
4 level, what's being collected through the RRA?  
5 What makes up this 2,174,000 in property taxes?

6 A (Paruta) Yes. If I could turn everyone's  
7 attention to the Attachment MBP/EAD-4. I'll just  
8 do that at a high level there, so that folks can  
9 see the numbers that I am referencing, again, at  
10 a high level. And I think the best page to turn  
11 to is MBP/EAD-4, Page 4 of 5. And I will get you  
12 the Bates page in one second. That is at Bates  
13 Page 019.

14 So, the property tax expense  
15 reconciliation in the RRA mechanism is  
16 essentially recovering property tax expense as  
17 incurred by the Company, according to what was  
18 booked by the Property Tax Department in our  
19 accounting books and records for the calendar  
20 year 2021, compared to what was included in base  
21 distribution rates as disclosed within our 19-057  
22 Settlement Agreement. And that was disclosed in  
23 Section 9.1(c), and that total, as disclosed  
24 there, was "45,186,407". So, anything in excess

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 of that amount would be requested for recovery in  
2 this reconciliation mechanism.

3 Q Okay. Well, while we're on Bates 019, and  
4 following up on your last answer, I believe I  
5 heard you say that the mechanism will collect the  
6 difference between what was included in base  
7 rates, you mentioned the rate case, but I believe  
8 also there's been a step adjustment since the  
9 rate case. So, what's included in base rates  
10 through the rate case and the step adjustment, as  
11 compared to property taxes per books of the  
12 Company. Do I have that right?

13 A (Paruta) Yes. That is correct. And, in cases  
14 where we are collecting property tax expense in a  
15 different rate reconciling mechanism, in this  
16 case, as you indicated, we do have property tax  
17 expense that is flowing through the step, that  
18 would be removed here, otherwise we would be  
19 double-recovering it.

20 Q Right. But what I wanted to focus on for a  
21 minute was that your reconciling to per books  
22 2021 property tax expense, is that right?

23 A (Paruta) That is correct.

24 Q Okay. And that's different than, for example, a

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 total of all the bills that the Company has paid  
2 by town that are detailed on Bates 020 through  
3 025, correct?

4 A (Paruta) Yes. There are some adjustments that  
5 are made, correct.

6 Q Okay. And you've detailed those adjustments on  
7 Bates Page 025, is that right?

8 A (Paruta) That is correct.

9 Q And, in order to -- so, maybe let me break down  
10 the question a little bit. So, the total of all  
11 the bills appears on Bates Page 025, Line 32, is  
12 that right?

13 A (Paruta) "232", correct.

14 Q "232", correct. And, so, there's two things I  
15 wanted to talk about on this page, abatements and  
16 per books adjustments.

17 So, let's talk about abatements first.  
18 Abatements appear in Columns E and F on this  
19 five-page sheet, and they're broken down by town,  
20 right?

21 A (Paruta) It's actually in Column E, broken down  
22 by town.

23 Q Column E. So, could you explain how abatements  
24 are handled for purposes of this property tax

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 element of the RRA?

2 A (Paruta) Yes. So, in accordance with the  
3 Settlement Agreement, and what was prescribed  
4 there, any abatements that are received post  
5 2018, which was the test year, would be reflected  
6 in the reconciliation mechanism as a refund back  
7 to customers.

8 It would be abatements that related to  
9 tax years post 2018. So, in cases where the  
10 Company does receive abatements that related to  
11 property tax settlements associated with anything  
12 that was brought up for property tax years  
13 pre-test year 2018, would not be reflected in the  
14 reconciliation mechanism.

15 Q Okay. And the total for all these towns, as I  
16 understand it, that's being passed back to  
17 customers for abatements through this mechanism,  
18 is "\$16,566", is that right?

19 A (Paruta) That is correct.

20 Q And that could be for more than one year,  
21 correct? Or is it just for this tax year that's  
22 presented on these bills?

23 A (Paruta) No. The abatements do relate to prior  
24 years, correct. And it can be more than one

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 tax -- fiscal tax year, correct.

2 Q And we're talking about a total of property taxes  
3 in excess of \$50 million, correct?

4 A (Paruta) That is correct. It's a relatively  
5 small number.

6 Q Well, that was my next question. It strikes me  
7 as a relatively small number. And my question  
8 is, I don't really have the historical context  
9 here, can you provide any context as to whether  
10 or not that abatement number is in line with  
11 prior years' abatements?

12 A (Paruta) I'm not the expert, but, based on  
13 conversations with the property tax experts,  
14 based on my understanding, subject to check, the  
15 abatements, if they had been larger in prior  
16 years, was because of the -- what I would call  
17 the towns and municipalities in New Hampshire,  
18 and their determination of appropriately assessed  
19 property tax expense. With the passage of  
20 legislation, and I believe it was passed in 2018,  
21 subject to check, to check that, with the passage  
22 of that legislation, based on conversations with  
23 the Property Tax team, we believe that the  
24 abatements have come down slightly.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           However, again, talking to the property  
2 tax experts, when there are cases where the  
3 Company feels that we have been properly  
4 misassessed, or assessed a greater amount than  
5 what we expected, based on our estimates, we  
6 challenge with the towns. And that continues to  
7 be our Company policy.

8 Q   And the legislation you mention that gave rise to  
9 this element in the RRA implemented a formulaic  
10 approach for valuing utility property based on  
11 book value. Would you agree?

12 A   (Paruta) Based on my understanding, subject to  
13 check, it is on net book value, correct.

14 Q   Okay. So, let's move to the next column, which  
15 are the adjustments, that's Column F. And these  
16 are more significant. It appears that they  
17 reduce the number being passed back to customers  
18 by a total of 1,934,000, as shown on Line 238.  
19 It's probably best to take these one by one. Can  
20 you explain what these adjustments are?

21 A   (Paruta) Yes. Would you like -- Mr. Dexter,  
22 would you like me to take us through the  
23 "590,902" in pieces, which would be our Bow, New  
24 Hampshire and the Nashua, New Hampshire

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 adjustments?

2 Q Well, yes. But then there are adjustments below  
3 that number as well that get us to the total  
4 adjustments --

5 A (Paruta) Yes.

6 Q -- of 1,934,000, correct?

7 A (Paruta) Yes. I just want to make sure that my  
8 response to you is --

9 Q Sure.

10 A (Paruta) -- is clear and transparent. So, on  
11 "590,902", I can break that down into the two  
12 parts?

13 Q Thank you. That would be helpful, yes. Start  
14 from the top.

15 A (Paruta) Okay. So, we can start there. So, if  
16 we go to Bates Page -- Bates Page 020, there is  
17 the first adjustment reflected in the schedule on  
18 Line -- apologies -- Line 22, which is the Town  
19 of Bow. The Town of Bow, what had occurred over  
20 the course of several years was we had property  
21 tax estimates that were reflected for what we  
22 believed, as a company, we would be charged by  
23 the Town of Bow.

24 With the statute of limitations, and

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 the passage of time, in 2021, in the calendar  
2 year 2021, the property tax experts determined  
3 that we had overestimated the accrual associated  
4 with the Town of Bow, in terms of the property  
5 tax expense expected by the Company. So, the  
6 decision was made by the property tax experts in  
7 calendar year 2021 to reverse those accruals.  
8 And those accruals added up "\$125,678". So, in  
9 order for the Company to appropriately calculate  
10 the property tax expense, that journal entry, and  
11 it is a manual journal entry, someone outside of  
12 the process of what we are actually billed by the  
13 Town of Bow, New Hampshire, had to be reflected  
14 in this schedule, in order for the Company to  
15 appropriately reflect our property tax expense in  
16 accordance to what was booked in the Company's  
17 books and records.

18 If we move to Line --

19 Q So, before we leave Bow, if you don't mind, I  
20 just want to interrupt, just to take them one by  
21 one. So, that reduces the amount being sent to  
22 customers through the RRA by \$126,000  
23 approximately, correct?

24 A (Paruta) That is correct, yes. And the theory

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 behind that is, given that the Property Tax team  
2 had accrued these costs in prior years, those  
3 costs would have flowed through the property tax  
4 expense, and would have been flowed through rates  
5 to customers. And, so, that benefit is  
6 rightfully and rightfully belongs to the  
7 customers. So, that is coming back to customers  
8 in this rate filing.

9 Q And this was one of the adjustments that was made  
10 subsequent to the technical session, do I have  
11 that right? This is one of the adjustments that  
12 found its way into Exhibit 6, correct?

13 A (Paruta) That is correct.

14 Q Okay. All right. Thanks. So, you were going to  
15 proceed, I think, next to the Town of Nashua, on  
16 Line 140?

17 A (Paruta) Yes.

18 Q City of Nashua?

19 A (Paruta) So, on Bates 023, as you indicated, Line  
20 140 is the Town of Nashua. This one, in  
21 particular, what happened was, in 2020, I want to  
22 make sure I'm careful and I get my years  
23 straight, in 2020, calendar year 2020, Nashua had  
24 overbilled the Company by the amount that we see

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 on Line 140, the "716,580". In that period of  
2 time, before the Company closed their books --  
3 our books and records, the Town of Nashua  
4 contacted the Company and had indicated that they  
5 had made an overbilling error.

6 So, because of that, we had not yet  
7 received the refund from them, but the Company  
8 wanted to appropriately reflect property tax  
9 expense, the Company recorded a manual entry in  
10 the calendar year 2020. Because that calendar  
11 year 2020 manual journal entry was included in  
12 the RRA mechanism last year, our customers were  
13 neutralized by that overbill. We did not pass  
14 that onto customers. So, essentially, the  
15 716,580 was appropriately negated in the calendar  
16 year 2020 property tax reconciliation.

17 In 2021, for purposes of discussion for  
18 this rate, the Company received the refund from  
19 Nashua, New Hampshire. The cash came in in -- it  
20 was late January/early February of 2021, that,  
21 because that came in, the Company had to record a  
22 manual journal entry in order to negate that  
23 activity in the Company's books and records,  
24 because it had already been what I'll call

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 "performed" in 2020, if you will. Because that  
2 cash payment came in a subsequent period, our  
3 books and records had to be neutralized in both  
4 years.

5 So, as a result of that, the "716,580"  
6 was recorded in calendar year 2021, as a manual  
7 journal entry, and that is also flowing through  
8 our property tax reconciliation to neutralize the  
9 benefit that was received as a cash payment in  
10 2021. So, net/net, when we look at totality for  
11 what is included as Nashua, that 716,580 is  
12 negated.

13 Q So, before we move on from that, that "716,580"  
14 that shows up on Line 140 increases what  
15 customers are paying, as compared to what was on  
16 the bills, correct?

17 A (Paruta) It does not increase it. And it is a  
18 bit, what I'll say, misleading, and it's a very  
19 good question.

20 It is not increasing the costs. What  
21 happen was, last year we were requested to  
22 provide this breakout detail by towns, which  
23 makes it very complicated for a presentation of  
24 the property taxes by individual towns, when

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 we're looking at the actual calendar year  
2 property tax expense incurred by the Company on  
3 what was actually recorded in the Company's books  
4 and records.

5 So, having said that, we were requested  
6 to present it in this way, and to also take any  
7 journal entries, any adjustments that we could  
8 identify, and include it on this line item. So  
9 that, for purposes of this proceeding, all of the  
10 audience could see what journal entries that we  
11 recorded related to what towns. So, that is the  
12 716,580.

13 Because of the way the Property Tax  
14 PowerPlan Sub-Ledger module works, if we  
15 scroll down to Line 236, the cash benefit of that  
16 729 [sic] is actually coming through 236. So,  
17 embedded in that 239, there is a flowing offset,  
18 if you will, of that 716.

19 So, essentially, the customers are not  
20 paying more in 2021. They are really paying that  
21 2.6 million, and the 716,580 is flowing through  
22 the system for which our Department and our team  
23 could not identify it, because it's flowing in  
24 from a power tax -- excuse me -- the Property Tax

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 PowerPlan Sub-Ledger System as a whole number.  
2 So, it's not easily identifiable.

3 Q Right. And I'm going to -- I'm going to be  
4 honest and say that I didn't follow the last five  
5 or six sentences that you talked about. So, let  
6 me try it again.

7 And ask you, back up on Page [Line?]  
8 140, in the two columns that's to the left, 2.6  
9 million, 2.593 million, those are bills, and then  
10 those are averaged in the next column for nine  
11 months, three months, to get 2.605. Right?  
12 Those are the result of bills, correct?

13 A (Paruta) That is correct.

14 Q The bills would not include the overbilling,  
15 because the overbilling happened in 2020,  
16 correct?

17 A (Paruta) The overbilling is not reflected in  
18 here, because the Company appropriately reflected  
19 in here what it was actually billed. So, you are  
20 correct, Mr. Dexter. Those amounts do not  
21 reflect any overbilling.

22 Q Okay. And the overbilling, as you said, was  
23 neutralized in the 2020 RRA? In other words, you  
24 took care of that last year, right?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Paruta) That is correct.

2 Q Okay. So, then, we have 2020, took care of the  
3 overbilling, that case is done. 2021, we have  
4 bills that total 2.6 million. But, instead of  
5 passing that number through to customers,  
6 Eversource has added this 716,000. And, frankly,  
7 I don't understand why.

8 So, I'm going to ask you again, if you  
9 could explain why the customers aren't being  
10 charged just the bills, which I think you've  
11 indicated the problem was already neutralized  
12 last year?

13 A (Paruta) Yes. So, it is very complicated. And I  
14 wholeheartedly can admit that it is difficult to  
15 understand, because it is a system -- it is a  
16 system-specific, what I'll call, in-and-out.

17 Okay. So, let me see if I can  
18 hopefully help you get there. When we were  
19 requested to provide a breakdown of what our  
20 total property tax expense was by town, we moved  
21 away from indicating to, you know, to the NHPUC  
22 the amount that we were seeking recovery from  
23 providing Line 238. Okay. So, 238 is  
24 essentially our total accrual for property tax

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 expense, what I'll say is our actual property tax  
2 expense incurred by the Company in the calendar  
3 year.

4 When we move to breaking that amount  
5 out by town, it becomes very complicated.  
6 Because what we are doing is we are taking the  
7 actual bills, as received, and we're trying to  
8 force-fit Column, and let me make sure I give you  
9 the right column number, we're trying to  
10 force-fit Column D's data, okay, which is, again,  
11 outside of the general ledger system, for  
12 Column 1 through Column 232. That is not derived  
13 from the general ledger system. That is not  
14 essentially what is reflected in actuality in the  
15 general ledger system for January 1, '21 and  
16 December 31, 2021. Because we tried to force-fit  
17 by town the actual expenses, we came up with a  
18 calculation in Column D for what we believe to be  
19 a "best estimate" of what would have been  
20 incurred in calendar year 2021 had we had all of  
21 these bills in hand when we closed the calendar  
22 year 2021. When our Property Tax team closed  
23 calendar year 2021, and completed the costs for  
24 property tax expense, they did not have the

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 actual bills that were in Column C.

2 So, if you follow what I'm saying,  
3 Column C is actual bills, because the Property  
4 Tax team gave us what they had at the time we  
5 filed this for all the bills received. But, in  
6 actuality, what we have flowing through calendar  
7 year 2021, and what is on Line 238, are somewhat  
8 estimates as well, because we didn't have all the  
9 bills. So, there's a true-up that happens in the  
10 following year, which occurs in calendar year  
11 2022. Okay?

12 Our Line 236, where we have a "negative  
13 239,222", embedded in that number is the cash  
14 benefit that we received from Nashua in the  
15 amount of "\$716,580". We confirmed that amount  
16 with the Property Tax team, by flowing it back to  
17 the journal entries. And we also confirmed that  
18 with the Property Tax team by looking at the  
19 Property Tax Power Tax [sic] module, to make sure  
20 that the sub-ledger system that feeds into Power  
21 Plan, which is our general ledger system, and  
22 that determined the "52,561,423", had in there  
23 that cash benefit --

24 *[Court reporter interruption.]*

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 **BY THE WITNESS:**

2 A (Paruta) So, the 239,222 benefit, that is  
3 included on Line 236, includes in there the cash  
4 receipts from Nashua of "716,580". Which we have  
5 identified as a manual journal entry, based on  
6 the request we received last year in the RRA  
7 hearing, to break out any manual journal entries,  
8 if we know what town they relate to.

9 So, we decided to include the "716,580"  
10 on Line 140, so that we could identify for  
11 everyone that that was a manual journal entry we  
12 had to record for Nashua, because Nashua gave us  
13 a cash payment that actually flows through Line  
14 236, in that "negative 239,222". But it wasn't  
15 manual.

16 So, I think what I'm trying to say is,  
17 we basically force-fitted the instructions  
18 received in our "Property Tax Adjustments",  
19 Column F. Any adjustments we would typically  
20 include at the bottom, which are manual journal  
21 entries. Okay? So, this was a manual journal  
22 entry. But the cash receipts flowed through the  
23 property tax system, so that was not a manual  
24 journal entry. And I hope that makes sense.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           So, essentially, we are not charging  
2           customers for the 716, because there is a benefit  
3           of the cash receipt that's flowing through 236,  
4           as well as other adjustments that came in from  
5           the Property Tax PowerPlan Module Sub-Ledger  
6           System.

7 BY MR. DEXTER:

8 Q       Okay. So, given that explanation then, why isn't  
9       Line 236, in Column D, equal to the 716,000?

10 A       (Paruta) That's a very good question. So, there  
11       are other adjustments that have to be included in  
12       there -- included there, in order for there to be  
13       a bridge between what was calculated in Column D,  
14       and that is 52,800,000 of total property tax  
15       expense, that is based on actual bills for  
16       property tax year 2020 and property tax year  
17       2021. And, keep in mind, the Property Tax  
18       Department team gave us actual property tax bills  
19       for property tax year 2021, some of those of  
20       which were received after calendar year 2021  
21       closed.

22               And, hopefully, you're following me,  
23       because it can be confusing. Because, if you  
24       think about it, once the general ledger system

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 closes, and the Property Tax Department is  
2 accruing an estimate, so, let's look at  
3 Woodstock, for example. I know it's a small  
4 town. So, Line 231 has "Woodstock". And Line  
5 231, Column C, indicates that Woodstock had  
6 "\$37,768" of actual property tax expense for  
7 fiscal year 2021.

8 The Property Tax team, and,  
9 hypothetically speaking, I don't know if this  
10 actually happened, but we'll use it as an  
11 example, the Property Tax team, if they hadn't  
12 received Woodstock before we closed the calendar  
13 year, before Eversource shut down the general  
14 ledger and had to issue their financial  
15 statements, and that is the basis of our  
16 reconciliation. We used actual 2021 expense as  
17 recorded on our books and records. If they  
18 received Woodstock after the calendar year closed  
19 and was completed, the Property Tax team would  
20 have been forced to recommend an estimate based  
21 on the last property tax year and the bill they  
22 received.

23 That estimate could be \$5,000, it could  
24 be \$10,000. And then, all of a sudden, in

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 February, they received the property tax year  
2 2021 bill, which shows the "\$37,768". There has  
3 to be a true-up that occurs, and that happens in  
4 the following year. So, the reason why we have  
5 the property tax expense accrual adjustment is  
6 this is an adjustment that essentially bridges  
7 between what we calculated for purposes of this  
8 filing, which is based on, if we lived in a  
9 perfect world, and we actually received all of  
10 the New Hampshire municipality bills in time, we  
11 would have recorded, in calendar year 2021,  
12 \$52,800,000. But that's not truly what happened,  
13 because estimates have to be recorded, because  
14 Column C was not received in time.

15 So, calendar year 2021, and what is  
16 reflected in our books and records, is really the  
17 "52,561,423" that you see on Line 238, which  
18 includes the best estimate the Property Tax team  
19 had to go on at the time.

20 So, that "239,222" is bridging us  
21 between what would have been recorded in a  
22 perfect world, if we received all the bills in  
23 time, before the close of 2021, and what was  
24 actually recorded in our books and records.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           So, if you think about it, Mr. Dexter,  
2           that 239,222 is a flow-through that will end up,  
3           essentially, in 2022, because of the  
4           reconciliation mechanism. And it will catch  
5           itself up. Once the Property Tax team recorded  
6           it in 2022, it was an adjustment related to '21,  
7           but it's reflected in 2022, because we have no  
8           choice.

9           And, because the actual mechanism  
10          requires us to follow the Company's books and  
11          records, based on estimates and actuals, that is  
12          why we are providing the 52,561,423.

13   Q       Okay. Well, two more questions, and then we'll  
14          move on.

15                 If one were to look at the backup for  
16          the accrual adjustment on Line 236, the 239,000,  
17          what would one find? I gather we would find a  
18          \$716,000 entry for the Town of Nashua, and other  
19          adjustments for other towns, to take us from  
20          estimated bills to actual bills, is that right?

21   A       (Paruta) I'm going to make sure I say this a  
22          little bit different than you did, because I want  
23          to be careful with the language we use.

24                 That adjustment will actually take you

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 from what we have calculated here, to the actual  
2 2021 calendar year costs, based on actual bills  
3 received, even in subsequent periods, to the  
4 estimate that we had booked. So, most of it is  
5 actual. Very little of it is estimate. I don't  
6 want to give the impression that the Property Tax  
7 team records our property tax expense based on  
8 estimates, because Column B is received well  
9 before we close the calendar year 2021. It's the  
10 property tax year 2021, in Column C, that there  
11 are stragglers. So, that's why the amount is not  
12 a large amount to get you back to what was on our  
13 books and records.

14 So, said differently, Mr. Dexter, your  
15 Line 238 is actually taking you back to what was  
16 on our books and records, based on majority  
17 actuals, and some estimates, for which we did not  
18 have the property tax year 2021 bills for yet.

19 Q Okay. But I would find behind that number a  
20 \$716,000 entry for Nashua, correct?

21 A (Paruta) Yes, you would, along with many, many,  
22 many, many line items, related to all the 231  
23 towns, whether they are based on actuals or  
24 estimates, correct.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q Then, having established that, why then also is  
2 the \$716,000 adjustment necessary in Column F,  
3 for Nashua?

4 A (Paruta) Because what we were instructed to do  
5 was to identify manual adjustments that were  
6 outside of the Property Tax PowerPlan module.  
7 And, when you asked about what we would find when  
8 we looked at the detail, that is a sub-ledger,  
9 that feeds into the general ledger system as one  
10 line item a month. So, you don't see that come  
11 through. It just comes in as one line item. You  
12 actually have to go into the sub-ledger system,  
13 not the general ledger system, which is our  
14 accounting books and records. That is what we  
15 use for purposes of the rate reconciliation  
16 filing. We do not use any sub-ledgers. The  
17 sub-ledger system is what houses all of that  
18 detail associated with the 231 municipalities in  
19 New Hampshire. And that is where it houses any  
20 cash receipts, all the cash payments. So, the  
21 Nashua payment flowed through the PowerPlan  
22 Property Tax Sub General Ledger module, and then  
23 it came in one month at a time, one line item.  
24 So, it was embedded in there, in that one month,

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 January or February.

2 What we did to ensure and validate that  
3 that amount came in was we went back with the  
4 Property Tax team and pulled in the actual cash  
5 payment we received from our Cash Management  
6 team, and we validated that that amount was  
7 actually included in the \$52.6 million.

8 CHAIRMAN GOLDNER: Mr. Dexter, I'd just  
9 like to highlight, before we move on, the  
10 Commissioners also do not understand the  
11 transaction. So, if you're comfortable, and can  
12 summarize for us at some point, that would be  
13 very helpful, because we're not able to follow  
14 this transaction, and maybe I should say  
15 "either".

16 MR. DEXTER: Well, if -- thank you, Mr.  
17 Chairman. And we did attempt to go through this  
18 in the technical session. So, I don't want you  
19 to think that we, you know, just are sort of  
20 making this up today. And we remain confused by  
21 it.

22 What I didn't do in the tech session,  
23 which, in retrospect, I wish I had, was to ask  
24 for the backup for the Line 236 adjustment, the

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 "239,222". But it seems to me that, if that  
2 \$716,000 is in the 239,222, which flows into the  
3 52,561,000, which flows across to the 50,610,000,  
4 which you can trace back to the RRA difference of  
5 2.7 million, which is requested for recovery, it  
6 seems to me, to the Department, that it's not  
7 also necessary to adjust for that Nashua amount  
8 in Column F.

9 Now, that's sort of the conclusion I  
10 would draw. If the Bench were interested in  
11 making a record request for the backup to the  
12 239,222, that might help things.

13 The other thing that I'm thinking of  
14 is, we had a similar, I don't want to call it an  
15 "impasse", but a misunder -- a failure to come to  
16 a meeting of the minds last year in this case,  
17 with respect to vegetation management. And we  
18 were able to work that out over the course of  
19 time following the hearing, and that resulted in  
20 a rate adjustment that the Company actually  
21 implemented in February, it didn't wait for the  
22 next RRA.

23 So, in closing argument, I will  
24 probably be suggesting that we do the same thing

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 for this Nashua issue, you know, barring learning  
2 anything on the examination from the Bench.

3 But I'll move on at this point.

4 CHAIRMAN GOLDNER: No, I think the  
5 Commissioners would also be interested in a  
6 reconciliation. I don't know how we can approve  
7 the current expense shown here with what we are  
8 understanding at the moment.

9 So, I think that record request would  
10 be beneficial, in terms of closing the issue.

11 **BY THE WITNESS:**

12 A (Paruta) If I could ask one more point of  
13 clarity, and I don't know if this will help or  
14 not.

15 But, if the -- if the cash payment was  
16 outside of the property tax module, and the  
17 Company had recorded it manually, what our  
18 Department would have done, and remember, this is  
19 our Department who is preparing this for purposes  
20 of this filing, what our Department would have  
21 done is we would have taken that 716,580 cash  
22 benefit received, and we would have put it on  
23 Line 140. So, essentially, that 716,580 cash  
24 payment received would have negated 716,580 on

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Line 140, in Column F, and wiped it to zero.

2 Having done that, if it was an actual  
3 manual journal, and that was booked as a cash  
4 payment, as opposed to through the Property Tax  
5 module, which is in accordance with our SOX  
6 Controls, in accordance with Sarbanes-Oxley, had  
7 we not done that, what would have come through on  
8 Line 236 would have been the 239,222, plus the  
9 716, because that benefit would not have flown  
10 through there. So, you would have had an  
11 adjustment of, roughly, if I do my math quickly,  
12 about \$500,000, going in the opposite direction.  
13 And I apologize, I'm doing that quick in my head.

14 CHAIRMAN GOLDNER: Mr. Dexter, if you'd  
15 like to maybe articulate the record request, we  
16 can mark that down. And I'll make sure that I  
17 capture that at the end as well. If you'd like  
18 to verbalize it, that would be -- that would be  
19 helpful.

20 MR. DEXTER: Well, I guess I'll try,  
21 and I would break it down into two parts.

22 The first part would be to request an  
23 itemization or a breakdown or a backup of the  
24 "\$239,222" figure on Line 236. That's Exhibit 1,

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Bates 025. So, that would be Part A.

2 And Part B would be to explain why the  
3 \$716,580, on Exhibit 1, Bates 023, Line 140, for  
4 Nashua, needs to be reflected in this column, in  
5 light of that same number appearing in the  
6 requested breakdown of the \$239,222 in Part A of  
7 the record request.

8 So, it presumes that, when we see the  
9 239,222, the breakdown, that we're going to see  
10 716,000 for Nashua.

11 CHAIRMAN GOLDNER: Very good, Mr.  
12 Dexter. I think that is very helpful, and the  
13 Commission would appreciate that clarification  
14 also from the Company. So, we'll make that a  
15 record request, and that we'll summarize also at  
16 the end.

17 ***[Record request reserved.]***

18 MS. RALSTON: And just to clarify that,  
19 those references are to "Exhibit 6". I think Mr.  
20 Dexter said "Exhibit 1", but that would be in  
21 Exhibit 6.

22 MR. DEXTER: That is correct. Thank  
23 you.

24 MS. RALSTON: Okay. Thank you.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 MR. DEXTER: That's Exhibit 6.

2 Now, let me just ask the witness one  
3 last question on this.

4 BY MR. DEXTER:

5 Q And that is, Line 238, the far right-hand column  
6 has the figure of "50,610,359". That figure  
7 factors into the calculation of the 2,174,000 of  
8 property taxes sought for collection in this  
9 case, correct?

10 And I believe that is demonstrated on  
11 Bates 019 of this exhibit. In other words, I see  
12 that same number on Bates 019, correct?

13 *[Court reporter interruption, noting*  
14 *that the witness was on "mute".]*

15 WITNESS PARUTA: Oh, apologies. I  
16 didn't realize that.

17 **BY THE WITNESS:**

18 A (Paruta) Correct. And you are correct, it is on  
19 Bates Page 019 as well. That's where I was going  
20 to lead you as well.

21 BY MR. DEXTER:

22 Q Okay. And, so, then, back to Bates Page 025,  
23 that figure, 50,610,359, is the sum of the three  
24 figures on that same line, Line 238, in Columns

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 D, E, and F, correct?

2 A (Paruta) That is correct.

3 Q And it also is the sum of Column G, in other  
4 words, that number adds both ways, correct?

5 A (Paruta) Correct.

6 Q Okay. All right. Thanks. Then, I'll move on  
7 from the property tax questions.

8 So, just a moment on rate case  
9 expenses. Again, if we go back to Exhibit 6,  
10 Page 4, I see a "Rate Case Expense" item on  
11 Line 6, "\$353,000". You indicated, I believe,  
12 that this was reflected in the June 3rd update,  
13 as a result of the resolution of this issue from  
14 Eversource's recent rate case, correct?

15 A (Paruta) That is correct.

16 Q And this number was a bit higher, this number has  
17 been reduced in the June 16th filing, which is  
18 Exhibit 6, as compared to Exhibit 3, correct?

19 A (Paruta) That is also correct.

20 Q And you had indicated that the reduction was  
21 "\$5,000", I calculated it as "\$8,000". Maybe you  
22 could just double-check that, and we could get  
23 the correct number? I think we need to compare  
24 Exhibit 3 to Exhibit 6 in order to do that.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Well, I'm going to withdraw that  
2 question, because I look at it now, and it seems  
3 to be a \$5,000 difference. So, I'm going to  
4 withdraw that. Sorry about that.

5 A (Paruta) Okay.

6 Q And what was the nature of the update? Why was  
7 the number reduced?

8 A (Paruta) So, in accordance with the decision in  
9 Order 26,634, the Company did not include an  
10 amortization of the \$1.762 million that was  
11 approved for recovery in the RRA reconciliation  
12 mechanism, because the amortization was over a  
13 five-year period.

14 However, what we did was we followed  
15 the mechanism of the RRA rate mechanism, and  
16 included what I'll call "one-fifth" of the amount  
17 that was allowed as an August 1, 2022  
18 under-recovery. As a result of that, the RRA  
19 mechanism does calculate a carrying charge,  
20 assuming that the under-recovery is included as  
21 of the date of the first day of the rate  
22 reconciliation mechanism and the rate change.

23 However, after meeting with the DOE,  
24 and Mr. Dexter asking good questions, the team

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           went back, spoke to legal counsel, we read Puc  
2           1907, and the regulations there state, in Puc  
3           1907.01(f), Subsection (f) talks about that there  
4           should not be any interest charges associated on  
5           the rate case expenses.

6                         And, so, the Company did make the  
7           decision that we were, in addition to not  
8           calculating interest expenses associated with the  
9           amortization, we also removed the carrying charge  
10          from the RRA rate mechanism.

11   Q       And you did that by keeping the schedule the  
12          same, and just putting in a zero percent interest  
13          rate on any under-/over-recoveries, as far as  
14          rate case expenses, correct?

15   A       (Paruta) Exactly. We neutralized any carrying  
16          charge calculation in our RRA mechanism, correct.

17   Q       Okay. So, I wanted to talk for a moment about  
18          interest on over and under-recoveries in general,  
19          not related to rate case expenses, because they  
20          have been zeroed out for rate case expenses.  
21          And, for example, I'd like to turn to Exhibit 6,  
22          Bates Page 008, Line 7. And this has to do with  
23          regulatory expenses that are recovered through  
24          the RRA.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           And that lines -- there is no Line 7.  
2           Excuse me, I might have the wrong page number  
3           here. I think I meant "Line 4". That has  
4           \$569,000 of recoverable regulatory assessment and  
5           consulting costs being included in the RRA,  
6           correct?

7   A       (Paruta) Apologies, Mr. Dexter. I'm still  
8           getting to my Bates page on my screen.

9   Q       Oh. Well, --

10   A       (Paruta) Apologies.

11   Q       I'm in the wrong -- I'm in Exhibit 3, I need to  
12           be in Exhibit 6. So, let's start again.

13   A       (Paruta) Yes.

14   Q       Let me get to Exhibit 6, and maybe I will find a  
15           Line 7. Okay. So, Exhibit 6, Page 8, --

16   A       (Paruta) Eight is Attachment 2.

17   Q       -- Line 7.

18   A       (Paruta) Yes.

19   Q       I see, in Column "Actual 2021", a figure of  
20           "\$468,000". Do you see that?

21   A       (Paruta) Yes.

22   Q       And that's indicated as an under-recovery,  
23           correct?

24   A       (Paruta) That is correct.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q And, on that same -- on the next page, which will  
2 take us to 2022, which is where I should have  
3 been in the first place, I see a figure of  
4 "608,000" for "August 2022", on Line 4, indicated  
5 as "Underrecovered Regulatory Assessment and  
6 Consultant Costs". Do you see that number?

7 A (Paruta) Yes. That is the under-recovery for  
8 2021.

9 Q Right. And that's detailed, if you will, on  
10 Bates Page 007 -- sorry -- Bates Page 010 of this  
11 schedule shows the detail of that 608,000 in the  
12 lower right-hand corner, correct?

13 A (Paruta) On Bates Page 010, on Line 11?

14 Q Yes.

15 A (Paruta) That's correct.

16 Q Okay. And, so, this tells us that this \$608,000  
17 consists of PUC/DOE assessments and contractors,  
18 all of which are recoverable per statute, as laid  
19 out in the footnotes where you've mentioned the  
20 language from the Settlement Agreement, correct?

21 A (Paruta) That is correct.

22 Q Okay. So, now, let's go back up two pages, to  
23 Page 008, and find that 608,000, again, it's --  
24 now I'm up on Bates Page 009, so I guess I only

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           went up one page. And that's the same "608,000"  
2           that appears on Line 4, Column "Estimate of  
3           August 2022", correct?

4    A       (Paruta) That is correct.

5    Q       And this schedule, down on Line 7, calculates an  
6           over-/under-recovery. And, if I read across, on  
7           Line 7, I see that, for the entire year, this  
8           \$608,000 balance is shown as an under-recovery in  
9           declining amounts, and then interest is  
10          calculated on that under-recovery, and that  
11          interest is factored into the proposed RRA,  
12          correct?

13   A       (Paruta) That is correct.

14   Q       And my question is, why, in this schedule, does  
15          Eversource include the full \$608,000 of  
16          assessment and consultants in month one of this  
17          sheet, "August-22", as opposed to spreading that  
18          amount out over the ensuing 12-month period --  
19          over the ensuing 12-month period?

20   A       (Paruta) So, the entirety of the RRA mechanism,  
21          regardless of whether it's the DOE assessments,  
22          vegetation management, property taxes, because it  
23          is a look-back, and it is a look-back to prior  
24          year, what the Settlement Agreement stated was

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 the purpose -- or, I shouldn't say "the purpose",  
2 the Settlement Agreement states that the RRA  
3 mechanism itself is established every year, and  
4 it's based on a full reconciliation, with  
5 interest, for any over-/under-recoveries. And,  
6 so, the interest is calculated, and it is  
7 essentially calculated as soon as the rate is  
8 established on the over and under -- over or  
9 under-recovery, so it goes both ways, at the  
10 point that the rate is established.

11 Because it is a prior year rate  
12 reconciliation mechanism, we are taking the over  
13 and under -- over or under-recovery from the  
14 prior year, and, as of August 1, we are  
15 identifying it and rolling it through with a full  
16 reconciliation mechanism, including interest.  
17 That is how the rate mechanism works.

18 Like I said, it goes both ways. So, in  
19 cases where we are over-recovered, the carried  
20 interest charge is calculated and refunded to  
21 customers, including the interest component, in  
22 this case, the 608,000 is an under-recovery.  
23 And, so, there is a slight carrying charge that  
24 is charged at the same exact carrying charge rate

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 across all over-/under-recoveries.

2 Q Wouldn't it have been more accurate, in your  
3 mind, to have spread the 400 -- the \$608,000 over  
4 the twelve months, because you would never expect  
5 to collect that 608,000 all in the month of  
6 August, correct? You would expect to collect  
7 that over the course of the year?

8 A (Paruta) No, but that defeats the purpose of what  
9 the RRA is meant to do. Because, essentially,  
10 what we're doing, and, Mr. Dexter, your theory  
11 applies in the current year that those costs are  
12 incurred, so, remember, we have costs that are  
13 being incurred on a monthly basis within our base  
14 distribution rates that are truly spread out on a  
15 monthly basis and are being billed to customers  
16 in base distribution rates on a monthly basis.  
17 So, embedded in our cost of service are the  
18 assessments, and that amount truly does include a  
19 monthly charge as it is flowing through base  
20 distribution rates.

21 This is anything in excess of that that  
22 we are seeking recovery. So, because the way the  
23 Settlement Agreement was written, this is taking  
24 a look-back of what we under-recovered, and it is

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 an allowance of identifying the under-recovery as  
2 of the point in time that the rate is  
3 established. So, that under-recovery is a  
4 catch-up as of August 1st, and is then fully  
5 reconciled throughout the period.

6 If you were to take that amount and  
7 include it every month, that is making an  
8 assumption that that cost relates to 2022 and  
9 2023, the period of time associated with the  
10 rate, and that is not the case. These are  
11 historical costs for which we under-recovered,  
12 and, therefore, we have to flow it through the  
13 rate with the carrying charge, in order to be  
14 appropriately made whole for us on  
15 under-recoveries, and appropriately make our  
16 customers whole for over-recoveries.

17 Q And, if I were to jump down to Bates Page 011, is  
18 this where I find a detail of the costs that  
19 underlie, that flow into the \$608,000 that we're  
20 talking about?

21 A (Paruta) That is correct.

22 Q And all of these costs, as indicated by the  
23 invoice dates, consistent with your testimony,  
24 were incurred in 2021, correct?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Paruta) That is correct.

2 Q And a certain amount of these were recovered in  
3 base rates, at least as far as the assessment  
4 goes, and this mechanism just calculates the  
5 difference between what was in base rates and the  
6 total shown on Line 17 of Bates 011?

7 A (Paruta) For the assessments, that is correct,  
8 Mr. Dexter.

9 Q For the assessments, okay. Okay. All right.

10 Well, my last topic has to do with lost  
11 base revenues associated with net metering. In  
12 order to ask questions, I'd like to start first  
13 on Exhibit 6, Bates Page 028, it will take me a  
14 minute to get there. And, if I wanted to find  
15 the total amount of lost base revenue due to net  
16 metering that's proposed for recovery in this  
17 RRA, I can find that number on Line 4 of this  
18 sheet, is that correct, "\$578,000"?

19 A (Davis) That's correct. But I would also, if you  
20 would go to the next page, Bates 029, --

21 Q Yes.

22 A (Davis) -- you'll see the breakdown by month.  
23 And, so, this is the sort of input that flows up  
24 to the numbers that you do see on Page --

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Bates 028.

2 Q Okay. Thanks.

3 A (Davis) You're welcome.

4 Q And, in order to find the backup to these  
5 numbers, this is broken down by rate class, we  
6 have "\$411,000" for the Residential class. "R"  
7 stands for "Residential", correct?

8 A (Davis) That's correct. "Rate R" is a rate class  
9 for Residential.

10 Q And "G" and "GV" are commercial customers, is  
11 that right?

12 A (Davis) That's correct. Those are our two small  
13 and medium general service rates, Rate G and  
14 Rate GV.

15 Q Okay. So, I went to Exhibit 4 to try to find  
16 where these two numbers were calculated, the  
17 411,000 and the 167,000. And, for purposes of  
18 today, I'm going to focus on the residential.

19 A (Davis) Okay.

20 Q So, I went to Exhibit 4, Bates 010. So, let me  
21 get there, and then I'll have a question.

22 A (Davis) And I might actually direct you to  
23 Bates 009.

24 Q Okay. We'll start with Bates 009 then.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Bates 009 shows me the monthly breakdown of  
2 those, again, we'll talk about the "411,173" for  
3 Residential. That shows me the monthly  
4 breakdown, correct?

5 A (Davis) Correct. As well as, on the far right,  
6 there is a total, which is the "411,173".

7 Q Right. And, then, the footnotes direct me to  
8 "Exhibit EAD-2" -- "Attachment EAD-2, Exhibit A",  
9 which I believe is the very next document,  
10 correct, starting at Bates 010?

11 A (Davis) That's correct. And what it might help  
12 -- obviously, there's an immense amount of data.

13 Q Well, let me try to break it down question by  
14 question, if you would.

15 A (Davis) Sure. Absolutely. No problem.

16 Q And then I'll let you fill in, but I'm just  
17 trying to figure out what's going on.

18 So, this sheet is 276 pages -- well, I  
19 guess 275 pages, because up in the upper  
20 right-hand corner, the first page says "Page 2 of  
21 276". So, that's right.

22 A (Davis) Yes.

23 Q We're looking at 275 pages roughly?

24 A (Davis) Correct.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q Okay. And the column on the left says "ID#", and  
2 it's just 1 through about 2000, if you get to the  
3 end of it. These are individual installations,  
4 correct?

5 A (Davis) They are. They are individual  
6 installations. And the next column doesn't have  
7 a label, but it's by customer account reference,  
8 and it's also by year, so, program enrollment  
9 date.

10 Q Okay. And the "Generation Type", "PV" stands  
11 for "photovoltaic" -- how do you say it?

12 "Photovo" --

13 A (Davis) Yes. "Photovoltaic".

14 Q "Voltaic", thank you. Sorry about that. So,  
15 these are solar? These are solar installations,  
16 correct, basically?

17 A (Davis) I believe they all are, yes.

18 Q Okay. So, the first 55 pages, if I have this  
19 right, if I go to Bates Page 055 --

20 A (Davis) Yes.

21 Q Let me just do that. These are all sort of the  
22 same information, by customer number, by ID  
23 number, all for Rate R. And, when I get down to  
24 Bates Page 055, I see some totals, correct?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Davis) Yes.

2 Q And, so, this tells me that there are 2,107  
3 installations. And there's a column, second  
4 column from the right, totaled [sic] "2020  
5 Displaced Revenue" of -- is that "\$1,932"?

6 A (Davis) That's what it shows, yes.

7 Q Okay. So, if you could explain please what's  
8 shown on this first 55 pages or so of this  
9 exhibit? What is this sheet trying to show us?  
10 And, ultimately, hopefully, we're going to get to  
11 the \$411,000 that's proposed for recovery. But  
12 let's just start with these first 55 pages.

13 A (Davis) Certainly. So, what this provides, I  
14 always call it the "starting set of information",  
15 it provides all the different accounts, as you  
16 identified, the type of generation, but,  
17 ultimately, their installed capacity. And then,  
18 for the current year, it's actually showing the  
19 annual generation based on those capacities. And  
20 then, it does provide the last two columns, which  
21 are probably more historical information, they  
22 were carried into this file.

23 I did inherit this file. And I would  
24 say, in retrospect, I probably would not have

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 included the last two columns, or at least the  
2 second to the last column, because our focus is  
3 to calculate the 2021 displaced revenue. But the  
4 information on the page, and, literally, when  
5 each account started, so that we can, first of  
6 all, identify a bright line, lost base revenue is  
7 for net metering installations on and after  
8 January 1st, 2019. So, what this is doing is  
9 corralling the set of accounts sequentially, as  
10 they have come on line and enrolled in the  
11 program, provided us also the installed capacity,  
12 and, based on that, the calculation of the annual  
13 generation.

14 So, this is the first, this entire set  
15 of data, provides us the entire set of customers  
16 and the installed capacity for their photovoltaic  
17 systems, again, for residential.

18 Q Okay. And what's the rate in the right-hand  
19 column? They all seem to be the same rate,  
20 "0.05116". Is that cents per kWh?

21 A (Davis) These are actually dollars per  
22 kilowatt-hour.

23 Q I'm sorry, dollars.

24 A (Davis) And they happen to be for a reference

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 period. And they're important because of  
2 displaced revenue for residential that we  
3 calculate is a function of the amount of total  
4 production of these individual units that is  
5 utilized behind the meter. So, we need the  
6 following sets of exhibits to do the derivation.  
7 But the rate is an important reference, because  
8 it's the applicable rate per kilowatt-hour of  
9 displayed sales, and, therefore, displaced  
10 revenue.

11 Q Is it, basically, the distribution rate at that  
12 time?

13 A (Davis) It is. It is the distribution rate, yes.

14 Q Okay. So, in the interest of time, because we're  
15 approaching 11:00, can you -- again, I found the  
16 number of 411,000 down on Page 253, I think. Can  
17 you maybe just summarize for us how we get to the  
18 411,000 of displaced revenue from the 255 plus  
19 pages of information that's provided here?

20 A (Davis) Absolutely. So, this entire set of 276  
21 pages under Exhibit A includes what we just  
22 talked about, that's called -- well, I'm sorry,  
23 it's EAD-2 is the 276 pages. Exhibit A is the  
24 first section, right through Bates 055, and there

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 are four more exhibits, "Exhibits B", "C", "D",  
2 and "E".

3 Exhibit B starts on the very next page,  
4 Page 56, Bates 056. That's total generation, in  
5 other words, production by the customers.

6 On Exhibit C, starts on Bates 084, and  
7 that provides the actual sales, in other words,  
8 of generation for each customer that was  
9 delivered to the grid.

10 So, remember, Exhibit B was total  
11 generation, the portion of that generation  
12 delivered out to the grid is Exhibit C, the  
13 sales.

14 And, then, starting on Bates 139, we  
15 have the displaced sales, which is the difference  
16 between the total generation in Exhibit B, and  
17 the amount of that generation delivered to the  
18 grid, in Exhibit C. So, Exhibit D will tell us  
19 how much of the total production was utilized  
20 behind the meter, and that represents displaced  
21 sales.

22 And, then, Exhibit E, starting on Bates  
23 198, shows the derivation of sales, displaced  
24 sales, times that distribution rate we referred

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 to.

2 So, effectively, the 411 will appear  
3 after all of the work that's done, pulling up the  
4 detail of production, sales, calculating the  
5 amount behind the meter that's utilized to find  
6 the revenue displaced, would bring us to Bates --  
7 like I said, it started on Bates 198, I'm just  
8 trying to get my computer to catch up here. And,  
9 looking at the bottom of Section E, and, again,  
10 which starts on Bates 198, almost there.

11 Okay. If I would start, Bates 198 is  
12 titled "Total 2021 Rate R Revenues Displaced".  
13 And there is, in fact, for each customer, monthly  
14 data. So, for example, Line 1 of Bates 198 will  
15 show the monthly displaced revenue, and a total  
16 at the far right of "\$399". If I -- that's for  
17 one, just one customer.

18 But, if I scroll to the end of  
19 Exhibit E, which is -- I'll give you the Bates  
20 number right now as soon as I get to it. Okay.  
21 So, on Bates 253, we'll see a total for each  
22 month, and grand total on the far right. And  
23 you'll see the value of \$411,173.

24 Q Okay. Thank you. Now, I understand. I

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 appreciate that.

2 A (Davis) Yes. And I apologize. This is such an  
3 enormous amount of data that we had to break it  
4 down within those five exhibits, A through E.

5 Q And the calculation is, in fact, done on a  
6 customer-by-customer basis, as this demonstrates,  
7 correct?

8 A (Davis) That is correct. For example, and I'll  
9 just -- and I wrote this down, so we could use  
10 this to do a proof. I mentioned that \$399, which  
11 was shown at -- this is for the very first  
12 customer. So, if we go to Bates 198, I think  
13 you'll see "\$399". You go to Bates 139, you'll  
14 see a displaced sales of 7,754 kilowatt-hours.  
15 And that number, times the appropriate  
16 distribution rate, brings you to the \$399.

17 But you could go to Line 1 of each of  
18 these five exhibits. For Exhibit B, you'll see  
19 the total production of "12,877". For Exhibit C,  
20 on Line 1, you'll see sales, in other words, of  
21 the 12,877 kilowatt-hours, 5,123 kilowatt-hours  
22 were delivered out to the grid. So, the  
23 difference between the 12,877 and the 5,123 is  
24 that 7,754 kilowatt-hours. And that, times the

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 distribution rate, translates to \$399.

2 Q Thanks. And you had directed us to Bates 139,  
3 which showed Line 1 of kilowatt-hours displaced,  
4 and that customer, you know, looking across the  
5 months, displaces between about five and eight  
6 hundred kilowatt-hours per month, which is  
7 consistent with the usages that were cited  
8 earlier in the testimony about typical bill  
9 impacts.

10 But, if I jump down to Line 5 or Line 8  
11 or Line 21, I see numbers that are significantly  
12 higher than, you know, that \$600 per month range.  
13 For example, Line 8, in July, this customer  
14 displaced over 3,000 kilowatt-hours, and, in  
15 August, over 2,600 kilowatt-hours. You know, how  
16 would that happen? Is this just an atypical  
17 customer? What would you expect we would find if  
18 we looked at that customer?

19 A (Davis) I would say, for each of those, you  
20 should see some scalable effect. On the very  
21 first page, and I had mentioned there were  
22 installed capacity levels, I think the first one  
23 was 10 kilowatts, let's say. So, a large  
24 customer would have a larger installed capacity.

{DE 22-010} {06-23-22}

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           However, that's not the end of the  
2           story. The other important part is, the amount  
3           of sales. In other words, there's two parts of  
4           the equation: How much they produce, based on  
5           that level of capacity, but also how much they  
6           actually use, and how much is surplus and  
7           delivered to the grid?

8           So, what we can't see is what that  
9           total customer's load is. We only know how much  
10          of their production was delivered out to the  
11          grid. And, if they have a very low load, a lot  
12          of their production will actually be delivered to  
13          the grid. But, if they have a very high load,  
14          less of that production will be delivered out to  
15          the grid, and instead would be utilized behind  
16          the meter.

17          So, I think you can see at least the  
18          order of magnitude, if we went back to Bates 010,  
19          and you looked at those corresponding ID numbers,  
20          we can at least see how much smaller or larger  
21          the installed capacity is. And then, if we go to  
22          Bates 084, again, for the corresponding IDs, we  
23          could see how much of their total production was  
24          actually delivered out to the grid.

{DE 22-010} {06-23-22}

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           So, the method we use is we calculate  
2           their total production, and subtract out what is  
3           delivered out to the grid. That will tell us how  
4           much their internal sales are, if you will, how  
5           much they use from their photovoltaic device, you  
6           know, to supply their own load, you know, behind  
7           the meter.

8           MR. DEXTER: Okay. Thanks.

9           WITNESS DAVIS: You're welcome.

10          MR. DEXTER: That's all the questions I  
11          have.

12          CHAIRMAN GOLDNER: Thank you, Mr.  
13          Dexter.

14          So, it's 11:00, probably a good time  
15          for a break. I'll suggest we pause till 11:15,  
16          and return then. So, we'll go off the record.  
17          Thank you.

18                   *(Recess taken at 11:00 a.m., and the*  
19                   *hearing resumed at 11:21 a.m.)*

20          CHAIRMAN GOLDNER: Okay. We'll go back  
21          on the record, and begin Commissioner questions  
22          with Commissioner Simpson.

23          CMSR. SIMPSON: Thank you, Mr.

24          Chairman. And thank you, Attorney Dexter, for

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 your thorough questioning. Your questioning  
2 there was extremely helpful, diving into some of  
3 the accounting issues. Appreciate that.

4 Just as a way to sort of wrap up some  
5 of the questions that you asked with respect to  
6 Exhibit 6, and I might ask the Department if they  
7 have any comments on this.

8 Looking at -- just a moment. So, in  
9 Exhibit 6, and the summary table at the end,  
10 Bates 025, so, the column that articulates  
11 "Calendar Year 2021 Expense", which is "Column  
12 D", subject to much of the questions that you  
13 asked, it was my understanding that that column  
14 was created by request. And I'm wondering  
15 whether that was a request of the Commission or  
16 the Department or the predecessor, Public  
17 Utilities Commission, do you have any insight  
18 into that?

19 MR. DEXTER: That question is to me?

20 CMSR. SIMPSON: If you'd be willing to  
21 step in, --

22 MR. DEXTER: Fair enough.

23 CMSR. SIMPSON: -- I'd appreciate it.

24 I can direct it to the Company as well.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 MR. DEXTER: No.

2 CMSR. SIMPSON: But your insight would  
3 be appreciated.

4 MR. DEXTER: Yes. And which column,  
5 Commissioner?

6 CMSR. SIMPSON: Column D, the --

7 MR. DEXTER: Column D?

8 CMSR. SIMPSON: Yes. So, the "Calendar  
9 Year 2021 Expense". It sounds like that's a  
10 calculation that the Company has been requested  
11 to do, that doesn't align with traditional  
12 accounting practice.

13 And I'm wondering what stimulated that  
14 request? Like, why was it initially made for the  
15 Company to calculate it that way? And to ask  
16 whether it still makes sense to do it, like, from  
17 the Audit Division or the Regulatory Support  
18 Division? If there is a rational and helpful  
19 reason for us to continue to require the Company  
20 to do that, I'm comfortable. But, if we are  
21 making the reconciliation more complicated than  
22 necessary, then I would ask whether it still  
23 makes sense to move in that direction?

24 MR. DEXTER: Yes. Thank you,

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Commissioner. I don't have a specific  
2 recollection of this time last year, I would have  
3 been part of the PUC Staff, and I did do this  
4 docket with Mr. Eckberg.

5 I don't recall asking specifically  
6 about this column. But I will say this. Okay,  
7 so, we've done these clauses for all the  
8 companies since this statute has been passed.

9 CMSR. SIMPSON: Uh-huh.

10 MR. DEXTER: And we always have this  
11 question of "what are we reconciling to?" So,  
12 the first thing is you got to figure out what's  
13 in base rates, and I think we're okay with that,  
14 in terms of this case.

15 CMSR. SIMPSON: Uh-huh.

16 MR. DEXTER: And then, it's like "Well,  
17 what are you reconciling? What's the other  
18 number in the equation?"

19 And it appears that there's two ways to  
20 do it: That you could reconcile to the latest  
21 bills, or you could reconcile to the Company's  
22 books.

23 I believe, in other cases, we have  
24 requested that the reconciliation be done to the

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 latest bills. And the reason we did that is  
2 because the bills can be requested and audited,  
3 and so on and so forth. And, so, it might be,  
4 and I'm speculating a little bit, it might be  
5 that, in this case last year, we had a per books  
6 number, and we asked if we could reconcile the  
7 per books expense number to the bills, so that  
8 there would be something to audit.

9 So, under either method, it's important  
10 that everybody be able to go from the bills to  
11 the amount that's being reconciled through the  
12 clause.

13 CMSR. SIMPSON: Uh-huh.

14 MR. DEXTER: And, in this instance, if  
15 I understood the testimony correctly, we have  
16 five or six adjustments that are on these Lines  
17 233 to 238, you know, that take us from the bills  
18 to the books.

19 What we've also heard today is that  
20 Column D is not necessarily the bills, because  
21 there were some -- there were some estimates that  
22 were trued up, I'm not exactly sure, and that's  
23 why -- that's why I'm glad you did the record  
24 request.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 CMSR. SIMPSON: Yes.

2 MR. DEXTER: I'm not sure that one  
3 method, in other words, reconciling to a per  
4 books number is, you know, by definition, worse  
5 than reconciling to the per bills number. I  
6 would think the numbers would be very, very  
7 close. I don't understand why a company would  
8 book something other than what's reflected on the  
9 bills. But we have seen things like accruals and  
10 estimates and things like that.

11 So, I guess, before I made a final  
12 recommendation, I might want to go back and look  
13 where we ended up with the other companies. But  
14 my recollection was that the other companies are  
15 reconciling to a number that is the result of the  
16 sum of the bills. But I'm also recalling a  
17 conversation saying "those two numbers are the  
18 same." So, I'm confused, to be honest with you.

19 CMSR. SIMPSON: I am as well.

20 MR. DEXTER: But I will say that having  
21 a list of the towns and the bills is extremely  
22 important, to get us so that we know that we're  
23 even in the right ballpark.

24 The other thing I learned in the tech

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 session is that there's 231 lines of towns.  
2 There's actually like 4,000 bills that go beyond  
3 this. There isn't one town -- one bill per town,  
4 which is something I -- you know, we're dealing  
5 with a larger company here than we are with the  
6 other cases. And maybe the sheer volume requires  
7 different treatment.

8 So, I'm rambling a bit. I don't recall  
9 making this request, but I do remember stressing,  
10 in all the cases, that it's important to be able  
11 to go from the bills, to the adjustment that's  
12 proposed in the RRA.

13 And that's what I was trying to do on  
14 cross-examination, and I think the record request  
15 will help with that.

16 CMSR. SIMPSON: Thank you.

17 MR. DEXTER: But I would invite you to  
18 ask that same question to the Company, --

19 CMSR. SIMPSON: I will.

20 MR. DEXTER: -- to see if they have a  
21 better recollection.

22 CMSR. SIMPSON: And thank you for  
23 indulging me, --

24 MR. DEXTER: Sure.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 CMSR. SIMPSON: -- and providing some  
2 insight.

3 BY CMSR. SIMPSON:

4 Q I would ask Ms. Paruta if she has any insight  
5 into why Column D has been required, and whether  
6 you have a suggestion for making the transparency  
7 of the reconciliation, with respect to property  
8 taxes, more clear?

9 A (Paruta) Yes. So, first of all, within the  
10 Settlement Agreement, what we were bound to do by  
11 what was disclosed within the Settlement  
12 Agreement was we were bound to take our total  
13 property tax expenses, that were recorded in  
14 accordance with GAAP, and GAAP requires an  
15 accrual basis of accounting, and, so, that  
16 naturally, in any case, if the Company does not  
17 have a bill by the close of the calendar year, we  
18 are required and mandated by FASB regulations to  
19 record an estimate.

20 So, because of the way the property tax  
21 expenses are recorded, and the way the Settlement  
22 Agreement stated, we take the property tax  
23 expenses, as reflected in the books and records,  
24 in accordance with GAAP, some of which are

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 actuals, some of which are estimates, because we  
2 have not yet received some of the towns' bills.  
3 And we were mandated to compare that to the  
4 amount in base rates. Keeping in mind that the  
5 amount in base rates was under the same exact  
6 policy and process, where there are costs in the  
7 base distribution rates at the time of the test  
8 year that had estimates and actuals.

9 So, it is a timing difference. We know  
10 it is a timing difference. We recognize it as a  
11 timing difference. So, having said that, we were  
12 asked last year, based on my reconciliation, and  
13 I apologize, I was also not here last year, but,  
14 based on my discussions with my team, we were  
15 requested last year, for good reason, and I think  
16 it is a good reason, if we could provide some  
17 form of a reconciliation between the very large  
18 number of 52 -- roughly, 50, we'll say, million  
19 dollars for Eversource that we are flowing  
20 through this reconciliation mechanism, and break  
21 that down by town, and we agreed to that, and we  
22 felt that was a reasonable ask.

23 And, so, in order to do that, we went  
24 back to the Property Tax team and requested this,

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 and requested it knowing that they had to provide  
2 the actual bills by town. So, again, it's a  
3 timing difference. Because the actual bills that  
4 are included in Column B and Column C could have  
5 been received in calendar year 2021, could have  
6 been received in calendar year 2022. And,  
7 because we're mandated by GAAP and FASB rules, we  
8 have to record estimates for those property tax  
9 bills that are not received. And which is why,  
10 when you take a look at Column D, which our  
11 Department did, the Revenue Requirements did to  
12 the best of our ability, we determined, had those  
13 property tax bills been received, you know, in a  
14 perfect world, by the close of December 31, 2021,  
15 that is the amount that would have flowed through  
16 our books and records. It is not.

17 However, Mr. Dexter made a very good  
18 point, which is, this is very reasonable,  
19 compared to what ultimately flowed through our  
20 books and records in the calendar year 2021. So,  
21 our Property Tax team actually did a very good  
22 job of estimating those costs. Because the total  
23 property taxes that were truly billed were  
24 \$52.8 million, that some of which rolled into

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 2022.

2 But the calendar year 2021 expenses  
3 that were booked were 52,561,000. That's very  
4 close, almost spot-on. And, so, that is the  
5 reason why we provided it. It is confusing.  
6 Property taxes are not easy, because you're  
7 dealing with fiscal periods in a property tax  
8 world, as opposed to calendar year costs in a  
9 GAAP world, and the calendar year costs in the  
10 GAAP world is what we were mandated to reconcile  
11 to in the Settlement Agreement.

12 Q Okay. I appreciate that. And I have confidence  
13 in what you're telling us, you clearly understand  
14 the issue.

15 I guess I would just finally ask, is  
16 there something that we, as the Commission, could  
17 do, in order to make the reconciliation more  
18 clear and transparent, and less confusing? Or,  
19 in your view, do you feel as if this presentation  
20 of the tax issues is as clear as we can get,  
21 given the variances of when you receive bills and  
22 your requirements to conform to GAAP practices?

23 A (Paruta) That's a great question. I would say  
24 the only way to make it really clear, which is a

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 huge ask of the Property Tax team, would be to  
2 force-fit what we actually incurred, estimate and  
3 actual, for each calendar year, based by town.

4 Keep in mind, and Mr. Dexter pointed  
5 this out, we have 231 municipalities. We have  
6 over 4,000 bills that we receive, and a very  
7 small Property Tax Department. So, it would be a  
8 monumental ask of the team to painstakingly go  
9 through those property tax bills for which there  
10 is an estimate that is flowing through calendar  
11 year 2021, and force-fit that back into the  
12 "Property Tax Year" column "2021", so that it  
13 would truly represent the expenses that we  
14 reflected on our books and records, in accordance  
15 with GAAP. But, then, there could be more  
16 confusion, because that is not -- that is not the  
17 true property tax year bill that we received from  
18 the town. So, we would essentially be  
19 force-fitting Column C to match our books and  
20 records for calendar year 2021. If that makes  
21 sense?

22 CMSR. SIMPSON: Yes. Okay. Well,  
23 hopefully, when we formalize the data request,  
24 and the Company is able to provide a response,

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 that will provide some more clarity for  
2 everybody. Appreciate the dialogue.

3 Does Mr. Dexter have anything to add?  
4 Attorney Dexter, excuse me.

5 MR. DEXTER: Sure. I would like to ask  
6 one question, maybe it could be included in the  
7 record request.

8 And that is, what is the total amount  
9 of property tax expenses recorded on the books of  
10 PSNH, per GAAP, as Ms. Paruta referenced? And  
11 does that number appear on Exhibit 6, Bates 025?

12 CMSR. SIMPSON: Ms. Paruta?

13 WITNESS PARUTA: I can answer that, Mr.  
14 Dexter.

15 CMSR. SIMPSON: Please.

16 WITNESS PARUTA: Yes. The actual total  
17 property tax expense, as reflected in our income  
18 statement, from a GAAP perspective, is  
19 "50,610,359".

20 BY MR. DEXTER:

21 Q Okay. And I do have the Settlement Agreement  
22 with me, and it does say that "Eversource will  
23 reconcile to property tax expense." It does say  
24 that --

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Paruta) Correct.

2 Q -- in a couple of places?

3 A (Paruta) Correct. And this was our effort to  
4 provide more detail, in terms of manual  
5 adjustments, because, of course, those are  
6 outside, you know, especially with manual  
7 adjustments 233 and 234 and 235, where they are  
8 not specific to any town. So, they could not be  
9 broken out by the Line Items 1 through 231.

10 And, so, in an effort to provide the  
11 Commissioners and the DOE Staff with the ask from  
12 prior year of breaking this down by town, we, the  
13 Revenue Requirements team, were forced to include  
14 these adjustments at the bottom, because we could  
15 not force-fit those amounts into any of the line  
16 items above.

17 So, in totality, just to repeat,  
18 "50,610,359" is the actual property tax expense  
19 that the Company incurred in calendar year 2021.

20 Q And I guess the last question I would have was,  
21 does that number appear in the Annual Report to  
22 the PUC? And, if so, you know, what page and  
23 what line? And that can be part of the record  
24 request.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Paruta) That will have to be, because this is  
2 just the distribution. And what we, I believe,  
3 subject to check, and we can do a record request,  
4 what we report to the PUC is our GAAP financial  
5 statements for Public Service Company of New  
6 Hampshire. So, that property tax expense line  
7 item would also include any transmission property  
8 tax expenses paid to New Hampshire municipalities  
9 in the State of New Hampshire.

10 CMSR. SIMPSON: Okay. So, I just want  
11 to make sure, for Attorney Dexter's sake, the  
12 first part of your question, are you sufficiently  
13 satisfied with the response that Ms. Paruta gave,  
14 or would you like us to make a record request  
15 with both elements of the question you raised?

16 MR. DEXTER: The question I raised as I  
17 phrased it an hour or so ago?

18 CMSR. SIMPSON: No.

19 MR. DEXTER: Or as I phrased it now?

20 CMSR. SIMPSON: Just a few moments ago  
21 you asked for the final tax GAAP figure, and she  
22 stated that it was the "50,610,359"?

23 MR. DEXTER: Sure. I don't think that  
24 needs to be a record request.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 CMSR. SIMPSON: Okay. And then, the  
2 second -- then, you asked, just a few moments  
3 ago, with respect to the Annual Report that the  
4 Company files?

5 MR. DEXTER: Right. It's always  
6 comforting if you can find the number in the  
7 Annual Report to the PUC. So, if it's there,  
8 that's additional comfort. If it's not,  
9 apparently, it won't be, --

10 CMSR. SIMPSON: Yes.

11 MR. DEXTER: -- because of transmission  
12 taxes.

13 WITNESS PARUTA: And could I just ask a  
14 clarifying question? When you're referencing our  
15 "Annual Report", are you referencing our Annual  
16 Report on Form 10-K that's filed with the  
17 Securities & Exchange Commission?

18 MR. DEXTER: No. I think -- I think  
19 electric companies file a FERC Form 1 with the  
20 PUC.

21 WITNESS PARUTA: Yes, we do. I just  
22 wanted to make sure I knew which form. Thank  
23 you.

24 CMSR. SIMPSON: Okay. So, now, we'll

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 look to the Chairman, as I see him vigorously  
2 jotting down information, just to make sure that  
3 we've captured accurately this request.

4 CHAIRMAN GOLDNER: I think so. There's  
5 now a total of three requests related to property  
6 taxes. And we can refine those at the end of the  
7 hearing.

8 CMSR. SIMPSON: Okay.

9 MR. DEXTER: Thank you very much.

10 CMSR. SIMPSON: Thank you.

11 WITNESS PARUTA: Thank you.

12 BY CMSR. SIMPSON:

13 Q So, then, I'd like to jump back to Exhibit 4, to  
14 wrap up some questions I had following the last  
15 question session for Mr. Davis.

16 A (Davis) Okay.

17 Q Thank you. So, I'm looking at these tables in  
18 your testimony, starting at Bates Page 010. So,  
19 this is the "Summary of Revenue Displaced" in  
20 Rate Class R, is that correct?

21 A (Davis) It's labeled a "Summary", correct.

22 Q Exhibit 4?

23 A (Davis) That's correct.

24 Q Yes.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Davis) "Exhibit 4, Bates Page 010" you referred  
2 to?

3 Q Correct.

4 A (Davis) Yes.

5 Q So, I'm looking at the first two columns, and  
6 there's "ID number", and then, presumably, some  
7 sort of a unique customer identifier in the  
8 second column, that looks like also labeled as  
9 "ID", is that correct?

10 A (Davis) That's correct.

11 Q So, and it looks like they're listed by program  
12 enrollment. So, is that when the system was  
13 interconnected and generating electricity?

14 A (Davis) Yes. I was trying to clarify. I think  
15 it's the date they -- it's at or following the  
16 in-service date, when they actually enrolled in  
17 net metering.

18 Q Okay. So, their applicable enrollment date, this  
19 table is sorted by date of when they enrolled in  
20 net metering?

21 A (Davis) That's correct.

22 Q And is each row representative of a unique system  
23 or customer?

24 A (Davis) It is. And it's -- yes. It's each

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 customer's individual system.

2 Q So, like the first ID 1, that's a distinct system  
3 from ID 2?

4 A (Davis) That's correct.

5 Q Okay. So, then, if we look over at the sixth  
6 column, "Installed AC Capacity in Kilowatts"?

7 A (Davis) Yes.

8 Q That just shows the nameplate of each respective  
9 system, correct?

10 A (Davis) That is correct.

11 Q Then, I look at over at the seventh column,  
12 "Annual Kilowatt-hours Generated". Is that  
13 figure representative of actual kilowatt-hours  
14 that the system generated, as measured at the  
15 Company's meter?

16 A (Davis) No. It's representative of the total  
17 production, if we had a meter on, in this case,  
18 the solar array, the PV array. So, what this  
19 actually is is a calculation of the production  
20 for that customer's 10-kilowatt photovoltaic  
21 array, which is determined using the PVWatts  
22 model.

23 Q Uh-huh.

24 A (Davis) And, for the record, that's

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 "P-V-W-a-t-t-s. So, we've applied the PVWatts  
2 model for this period to, in this case, the  
3 customer's 10-kilowatt capacity array. And that  
4 produced an annual production kilowatt-hours of  
5 "12,877".

6 And, for example, you'll see the same  
7 number on Lines 11 and 12, --

8 Q Uh-huh.

9 A (Davis) -- where you also have a 10-kilowatt  
10 unit.

11 Q And that's where I was going. That's what --

12 A (Davis) Oh. Okay.

13 Q -- I'm confused by. So, I'm glad you jumped  
14 there. So, when you credit net metered customer  
15 generators on their net exports, for instance, --

16 A (Davis) Yes.

17 Q -- are you taking the customer's actual usage  
18 from the grid, and then subtracting the estimated  
19 output from a system of the capacity which they  
20 have interconnected?

21 A (Davis) No. We have bidirectional meters, which  
22 allow us to measure -- what you're referring to,  
23 which is the import from the grid to the  
24 customer. So, when they're not generating all of

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 their needs, they will draw power from the grid.  
2 But we don't use that value. We use the export  
3 channel from our meters.

4 Q Uh-huh.

5 A (Davis) And what that translates to is, whenever,  
6 let's take the first customer, if that customer  
7 were producing 12,877 kilowatt-hours over the  
8 course of the year, whenever their generation is  
9 greater than their load, meaning, if their load  
10 is less than 10 kilowatts, then that excess that  
11 they produce, that they don't need, is delivered  
12 out to grid, and we measure that.

13 Q Uh-huh.

14 A (Davis) And, so, later -- I earlier referred to a  
15 "sales value". So, that's our Exhibit C. And I  
16 think we, just, you know, for reference, we could  
17 go to Bates 084, you'll see that very same  
18 customer, ID Number 1. So, here, on this Bates  
19 010, we see a value of "12,877". Our export  
20 meter, which, in this case, for ID Number 1, we  
21 measured 5,123 kilowatt-hours delivered out to  
22 the grid. We take the difference between the  
23 12,877, which is a calculation of their total  
24 production, minus the portion of their generation

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 that was delivered out to the grid, 5,123, and  
2 the difference is what they utilize from their  
3 generator behind the meter.

4 The import channel is in addition to  
5 all of that, but we don't utilize that for this  
6 calculation.

7 Q So, in terms of calculating lost base revenue,  
8 why would you not use actuals, because you have  
9 the register reads of import, export, and  
10 generated from your meter?

11 A (Davis) Well, the -- we actually are using the  
12 actuals, but we don't have -- let me say it this  
13 way. We use the actual sales to identify how  
14 much of their production is delivered out to the  
15 grid. The imports don't come into play here.  
16 While we do measure the import, that's used for  
17 netting, if you will. In other words, let's say,  
18 the customer imported a thousand kilowatt-hours,  
19 and they exported the 5,123 I mentioned earlier.  
20 For billing, we're going to net that 1,000  
21 kilowatt-hours against the 5,123.

22 Q Uh-huh.

23 A (Davis) And, in this case, because they're  
24 producing more than they need, we should bill

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           them zero kilowatt-hours, within the context of  
2           our tariff. Also, I would acknowledge, as a side  
3           note, there's some non-bypassable elements to  
4           that.

5   Q       Uh-huh.

6   A       (Davis) But, conceptually, we perform a netting  
7           process, using the imports netted against the  
8           exports. So, there's a net export that you can  
9           calculate. But, in terms of actuals, per your  
10          question, the actuals that come into play is how  
11          much of their sales would they have taken, if not  
12          for the generation? In other words, how much  
13          sales were displaced by the production of, you  
14          know, this -- the PV that they have located  
15          behind their meter.

16   Q       Uh-huh.

17   A       (Davis) So, the calculation we use is, we take --  
18          we acknowledge that 1,000 kilowatt-hours that  
19          they're drawing from the grid. But we're  
20          focusing on "How much did they produce? And,  
21          because of it, how much of their sales were  
22          displaced?" And we've identified that an  
23          additional 5,000 -- I'm sorry -- 7,754  
24          kilowatt-hours of the 12,877 was utilized behind

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 the meter. So, that 7,754 is based on actual  
2 production, minus sales, and that becomes the  
3 portion of sales displaced, --

4 Q But you're --

5 A (Davis) -- because they utilize that amount  
6 behind the meter.

7 Q But you're calculating your displaced revenue  
8 based upon the estimated annual kilowatt-hours as  
9 calculated using the PVWatts model, not what the  
10 system actually generated in that calendar year?

11 A (Davis) Well, we don't know what the system  
12 actually generated, unless we have a meter on  
13 the -- a production meter.

14 Q Yes.

15 A (Davis) And we don't. We don't have that here.

16 Q So, you're just looking at the reduced load, you  
17 only have the load reduction?

18 A (Davis) That's correct.

19 Q Okay.

20 A (Davis) That's correct.

21 Q So, if a customer had distributed generation and  
22 elected not to participate in the net metering  
23 program, then they would not be -- or, you would  
24 not be capturing lost base revenue then, under

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 this estimation, right?

2 A (Davis) That's correct. This is strictly for  
3 LBR, lost base revenue, under net metering.

4 Q Net metering customers. Okay. Thank you.

5 A (Davis) You're welcome.

6 Q All right. Then, I'd like to jump over to  
7 Exhibit 1. Thank you, Mr. Davis. I think, at  
8 this point, that's all I have for you.

9 A (Davis) You're welcome.

10 Q So, thank you for being here today, Mr. Allen and  
11 Mr. Johnson. Just as a question, Ms. Hebsch, is  
12 she still with the Company, just not here today?

13 MS. RALSTON: She is. She had to go to  
14 a separate hearing in a different state,  
15 unfortunately.

16 CMSR. SIMPSON: Okay.

17 MS. RALSTON: But Mr. Russel -- or  
18 Mr. Johnson, apologies, is here, and he can  
19 answer any questions on those issues.

20 CMSR. SIMPSON: Thank you. And, if I  
21 said "Mr. Russel", I'm sorry, Mr. Johnson.

22 WITNESS JOHNSON: You didn't.

23 CMSR. SIMPSON: Okay. Good.

24 BY CMSR. SIMPSON:

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q So, let's start on Bates Page 009 through 010,  
2 describing the Vegetation Management Program and  
3 the Scheduled Maintenance Trimming programs, and  
4 the Enhanced Tree Trimming programs.

5 So, under the ETT, this appears to be  
6 an expanded trimming program, based on  
7 reliability priority, is that correct?

8 A (Allen) Yes, sir. That's correct.

9 Q And you have a target of 150 miles per year,  
10 correct?

11 A (Allen) Yes.

12 Q So, can you explain how the Company adjusts that  
13 target up or down, based upon prior year  
14 reliability performance please?

15 A (Allen) Sure. At this point in the history of  
16 ETT, we're nearing the end. We had made a  
17 commitment to the Commission a couple years ago  
18 to do 1,600 miles, approximately. We're at about  
19 1,200 now. So, it becomes a case of when the  
20 cycle -- the circuit comes up on cycle is when we  
21 want to do the ETT now.

22 Initially, we were looking at 100-150  
23 miles when we were first starting the program,  
24 because we thought it was the best way to

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 increase the reliability on those backbone lines.

2 Q Uh-huh.

3 A (Allen) Now, we're more towards the end of the  
4 program. And, so, we're not probably going to  
5 get that 150 every year.

6 Q Uh-huh.

7 A (Allen) But it's based on the circuitry, more  
8 than it is on, at this point, than it is on the  
9 reliability.

10 Q So, is it fair to say that expectations for  
11 reliability have changed significantly over the  
12 past decade or so, and this type of program was  
13 intended to get the Company to a state where you  
14 now have a predictable annual trimming cycle,  
15 where every year you're trimming certain  
16 circuits, and now it should be fairly steady  
17 moving forward?

18 A (Allen) The whole idea of a Scheduled Maintenance  
19 Trimming Program, yes, that would be the answer  
20 to that. For ETT and specifics, we believe that  
21 we needed to get the backbone lines in shape.

22 Q Uh-huh.

23 A (Allen) And that's where we came up with that  
24 program. It is an aggressive program. As far as

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 the specifications go, it's 10 feet to the side,  
2 and ground-to-sky. So, anything we can reach  
3 above the wires, we do.

4 Q Uh-huh.

5 A (Allen) Making that 1,200 miles or so that we've  
6 done already has made the big dent. And, as you  
7 said, over the last ten years, the expectations  
8 haven't changed. We're still trying to improve  
9 every year. But the amount of ETT we're doing  
10 has been reduced. And ETT is a more expensive  
11 treatment to the lines than the regular  
12 maintenance trimming.

13 Q Uh-huh. And, in your experience over the years,  
14 I mean, now we have more and more trees growing,  
15 and, in the long run, how would you say that we  
16 should think about vegetation management? Can we  
17 expect a more predictable annual trimming, where  
18 year-to-year it's fairly constant, because we're  
19 breaking the system up into fifths or so, and  
20 doing that? Or do you think that there is an  
21 incline in need? Or is there a negative from  
22 development in the area? Can you comment on that  
23 for us?

24 A (Allen) Sure. That's a great question. So, I

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 will make a couple points first.

2 One is the roadside forest, which is  
3 where we trim, and where, generally, the other  
4 people are doing maintenance and other type work.  
5 It's aging. It's not getting any younger here in  
6 New Hampshire. So, we're dealing with not  
7 necessarily a finite amount of trees, because  
8 they continue to grow, but the older trees that  
9 are above our wires are there. And --

10 Q Hazard trees?

11 A (Allen) They can be hazard trees.

12 Q Okay.

13 A (Allen) But they certainly are living systems,  
14 and, like a lot of us, we don't know what's going  
15 on inside them when we're driving by. So, when  
16 we come by every four to five years, that gives  
17 us a chance to look at each tree that we're going  
18 to trim and see if it is a candidate for a hazard  
19 tree removal.

20 To answer your question about "do I see  
21 it staying about the same?" I believe, now that  
22 we're on a five-year -- four to five-year cycle,  
23 we are able to get that 24, 2,500 miles done a  
24 year, provided we have the crew resources.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q Uh-huh.

2 A (Allen) And that's been a big issue for us over  
3 the years. Crew resources are part of the reason  
4 we went to a four-year contract strategy.  
5 Because, if you talk to a tree person, generally  
6 they're saying their biggest concern is "Am I  
7 going to get paid well?" And "Am I going to have  
8 work next year?" And, so, we listened to that,  
9 and came up with the strategy that a four-year  
10 contract would give folks a chance to think "All  
11 right, I'm going to have work for the next four  
12 years."

13 And, to Mr. Dexter's point earlier, we  
14 haven't seen an increase from '21 to '22, because  
15 it was the first two years of a four-year  
16 contract. We do expect that there will be an  
17 increase next year.

18 Q Uh-huh.

19 A (Allen) But we're still going to stick with the  
20 five-year program. Some of those miles, you can  
21 adjust, depending upon the pricing, as long as we  
22 stay in compliance. We're confident that we'll  
23 be on that pretty much "steady" thing, as you  
24 described, with approximately a fifth of our

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 miles getting done every year.

2 Q And what do you think the state of the tree  
3 trimming, our culture, market is in New  
4 Hampshire? Do you feel that there's a robust  
5 workforce? And, you know, recognizing  
6 inflationary measures that are ongoing today,  
7 and, you know, different changes in the job  
8 market, do you have confidence in the Company's  
9 ability to continue to contract for resources in  
10 the long run?

11 A (Allen) So, a couple parts to that question.  
12 First off, it is not a robust workforce that we  
13 have out there. It's harder and harder to get  
14 people to do this work.

15 Q Uh-huh.

16 A (Allen) A couple reasons for that. There's a lot  
17 of jobs out there. This is difficult work. It's  
18 generally done aloft, with a chainsaw, which is,  
19 to some people's minds, one of the most dangerous  
20 tools you could use, and you've got electric  
21 wires underneath you. So, there's always reasons  
22 for people to think "I'm not sure I want that  
23 job."

24 I'm been doing this since 1978, not all

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 for the utility, but I've seen a big change in  
2 the workforce. I was speaking to Mr. Eckberg  
3 earlier. And, in 1980, when I went to school at  
4 UMass, we had 63 people in our arboriculture  
5 class; this year we have 3 in the same class.

6 Q Hmm.

7 A (Allen) It's just not a field that people feel  
8 they can either make enough money in, or are  
9 desirable of being outside in all elements.

10 The second part of your question, "can  
11 we continually, confidently put this work out to  
12 bid?" Yes, we can. We believe the four-year  
13 contract works. Within the last couple years,  
14 we've added Wright Tree and Nelson Tree, both  
15 nationwide companies, but this is Right's first  
16 foray, they're from Des Moines, Iowa, first foray  
17 into our, Eversource, franchise territory. And  
18 they have been successful bidding on work. They  
19 have brought a traveling workforce in. They  
20 haven't set up shop yet in New Hampshire. But  
21 the expectation is that we should be able to get  
22 some of those people to move to New Hampshire, as  
23 long as we continue to put the work out in the  
24 way we have been.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q Thank you. And then, the contractual  
2 arrangements that you have that have been, in  
3 your view, very successful for helping the  
4 Company plan for work in coming years, how do  
5 those coincide or do they coincide with your  
6 efforts with respect to storms? When you can't  
7 predict when a storm is going to happen, but the  
8 Company has planning measures in place, a  
9 response.

10 A (Allen) Uh-huh.

11 Q And you go out and you say "next week we're going  
12 to have a big windstorm, we need to bring in  
13 additional crews." Do those contractual  
14 arrangements provide any ability for you to  
15 leverage those resources that you work with on a  
16 day-to-day basis?

17 A (Allen) Yes. So, the crews that are on our  
18 system, stay on our system.

19 Q Uh-huh.

20 A (Allen) The crews -- the companies that are on  
21 our system are the ones we would ask to bring in  
22 other crews, bring in more crews, if we needed  
23 them.

24 The benefit of having these two extra

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 national companies now, Wright and Nelson, along  
2 with Asplundh, Lewis, Northern, Lucas, Brown,  
3 some homegrown stuff, and some local stuff, along  
4 with national companies, gives us a chance to  
5 have a lot crews on our system every day.

6 I came up to New Hampshire in 2009,  
7 after the Ice Storm of 2008. And we had 65 crews  
8 on the system; now we're closer to 120. We  
9 believed that the 65 to 70 was not enough for a  
10 major storm, 100 was what we were hoping for per  
11 a major storm, and we think we're at about 120  
12 now is a good spot to be.

13 One of the problems, and this is a  
14 competition problem, is that other utilities will  
15 try to procure tree crews from out-of-state, and  
16 pay them from the moment they start calling them,  
17 hoping that they will get the ability to get that  
18 money back. We haven't tried that tact yet. We  
19 believe in the crews we have. And, being a  
20 three-state company, that, if it doesn't hit in  
21 Connecticut, but it did hit New Hampshire, maybe  
22 we can bring those crews up.

23 Q Uh-huh. And that helps you with costs like  
24 demobilization, for instance?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Allen) Yes.

2 Q Okay.

3 A (Allen) Absolutely.

4 Q And then, within the Vegetation Management  
5 Program, can you explain some of the customer  
6 outreach that you do, when you identify hazard  
7 trees?

8 A (Allen) Yes.

9 Q And you believe that they pose a threat to  
10 reliability, and they are on a customer premise,  
11 can you talk to us about that a little bit?

12 A (Allen) Sure. So, the state law for notification  
13 of tree work, which is "trimming", went into  
14 effect in September of 2009, and that's what we  
15 follow. That's a 45-day opt-out program for  
16 trimming. So, we notify our customers either by  
17 a door-hanger or U.S. Mail that we're going to be  
18 coming to trim.

19 When we go to look at the property,  
20 before we do that, to see how much work is on  
21 that property, we would then identify if there  
22 are any hazard trees that we feel should come  
23 down, or at least talk to the customer about  
24 coming down. We then mark those trees with a

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 ribbon. We go and talk to the customer, see if  
2 they're amenable to having that tree come down,  
3 and what -- they might ask for that, do they want  
4 the wood, do they not want the wood, those type  
5 of things.

6 Then, after those have been identified,  
7 and these are by contract arborists mostly, they  
8 would then go to our Company arborist who has  
9 that area, and say "Here's the list of hazard  
10 trees that I have written up for this particular  
11 circuit", and the arborist would then review all  
12 those and decide if they were ones that they  
13 wanted to follow through on or ones that they  
14 thought were okay to stay.

15 So, additional outreach we do is we  
16 created a poster in 2018 we called "30 Under 30",  
17 and it's 30 trees that only grow 30 feet tall.  
18 We sent that poster out to 1,200 garden centers,  
19 and there's even some Big Box stores. And it  
20 starts with "Planting a tree?", and it gives a  
21 person -- maybe catches their eye right away, and  
22 we only have 30 trees that will grow 30 feet tall  
23 that won't necessarily ever impact our wires.

24 New Hampshire is either the first or

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 second most forested state in the nation,  
2 depending upon which review you look at. So, not  
3 often are people looking to plant trees, because  
4 we are pretty green, as far as tree coverage  
5 goes. But, if there is an opportunity, where we  
6 take a tree down, we want to let the folks know,  
7 if they want to replant it, that this is a place  
8 that you could look at, this poster, go to a  
9 nursery, they might have that information or that  
10 particular tree they're looking for.

11 Q Okay. Thank you.

12 A (Allen) Yes.

13 Q And then, looking at your testimony, Exhibit 1,  
14 if we jump to Bates Page 040 through 43, there's  
15 some tables that are incomplete at this time,  
16 "Mid-Cycle Work", "Customer Request Work", "Hot  
17 Spot Program", "Police/Flagging". Can you  
18 provide us with any update today, with respect to  
19 the 2022 work?

20 A (Allen) Sure. Yes, I can, Commissioner. So,  
21 "Mid-Cycle" miles, again, we've talked about the  
22 amount of crew resources that we have available  
23 to us, mid-cycle would be something that would be  
24 an additional program, not something that we have

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           planned. I spoke earlier today about how we  
2           might have police costs on something that wasn't  
3           planned, because we would have to do it time and  
4           material.

5    Q       Uh-huh.

6    A       (Allen) So, mid-cycle would be something that we  
7           don't put out to bid, because we don't know if  
8           we're going to do any of it. But we do want to  
9           have a line item for it just in case some comes  
10          in and I can report that, what we did, to you.

11                   "Customer Request Work", again, that's  
12           something that we don't know how much we're going  
13           to spend. I think, for 2021, we had a budget of  
14           approximately \$208,000, and we spent  
15           approximately \$140,000. So, it's based on  
16           customers who see us in their neighborhood, who  
17           feel that they have a concern. A lot of times,  
18           as you mentioned, storms, people will call us as  
19           soon as they hear there's a storm coming. And we  
20           feel it's incumbent upon us to at least go out  
21           and check every ticket, and make sure that it  
22           isn't a problem.

23                   Sometimes people embellish, and they  
24           think it's a lot worse than it is, but we do have

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 to roll a truck out there either way to look at  
2 it. And, so, that's one of the things that we  
3 know we're going to spend money on or we're going  
4 to invest in, but we're not sure what it's going  
5 to be, so that's why that's zeroed out.

6 And then, "Hot Spot" work, like  
7 Mid-Cycle work, is very similar, we're not sure  
8 what is going to happen. We could have a  
9 localized storm that caused a lot of broken  
10 stuff, and we go out and look at that work after,  
11 and realize we have some work to do, or it could  
12 be vines, which can be very aggressive growers,  
13 that we weren't planning on having to trim on the  
14 circuit, but they can grow up into a situation  
15 were it becomes a hot spot.

16 Q And then, for the final table, "Police/Flagging  
17 Program"?

18 A (Allen) Yes.

19 Q Does the Company rely exclusively on law  
20 enforcement officers for this work or do you use  
21 contract crews as well?

22 A (Allen) Yes. We would love to use contract crews  
23 more often, it's much more fiscally -- it fits  
24 better in my budget, I guess would be the best

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 way to say it. But the police detail work is --  
2 is expensive, and it's based on certain towns.  
3 Some towns have ordinances that you need an  
4 officer on every road. Some towns we can work  
5 with, and say, you know, if this road, perhaps if  
6 we're going to block one lane, maybe we'll need  
7 an officer, but otherwise we can just use a  
8 flagging company, or maybe just a third person on  
9 the crew could handle the paddle.

10 So, there's no "one size fits all",  
11 although I wish there was, because the flaggers  
12 generally take over the work zone, and they set  
13 up the traffic pattern, because that's what  
14 they've been trained to do. Oftentimes, it  
15 doesn't seem like the officer is out as actively  
16 engaged in it as the flaggers are.

17 Q And do your contractors arrange some of those  
18 relationships and are the municipal laws or  
19 regulations, they conform to those?

20 A (Allen) Yes. So, our community relations folk  
21 and our arborist staff go out and meet with every  
22 town before we go and work in the town, with the  
23 idea that maybe we can convince them that we know  
24 what we're doing, and we don't need as much

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 police detail work. Certainly, sometimes it's  
2 successful, because we just explain what we're  
3 doing and how we have it set up. There's all  
4 kinds of traffic patterns on the tree trucks that  
5 explain different mile-per-hour zones, what kind  
6 of pattern you have to have for cones and signs.  
7 So, we're pretty professional in that, as far as  
8 our contractors go, because it's their life  
9 that's in danger there, so they want to do the  
10 right thing.

11 But we certainly have those  
12 conversations. And every year, I will say, that  
13 it seems like every year that I've been up here,  
14 we've had to do more police detail annually than  
15 we did the year before.

16 Q Okay. Thank you, Mr. Allen.

17 A (Allen) Yes.

18 Q I'd like to jump over for a few questions for Mr.  
19 Johnson.

20 The questioning that Attorney Dexter  
21 asked you, with respect to some of the tables on  
22 Bates Page 060 of Exhibit 1 was very helpful.  
23 So, I'd like to look at Bates Page 060. So --  
24 excuse me, on Bates Page 059, you walked us

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 through the four, "SAIFI", "SAIDI", "CAIDI", and  
2 how did you say the last one, "C-I-I-I"?

3 A (Johnson) "Sigh".

4 Q "CIII", okay. So, then, on the next table, we  
5 have -- and maybe you could say "C-T-A-I-D-I"?

6 A (Johnson) I'll be honest with you, I've never had  
7 to say it before.

8 Q Okay.

9 A (Johnson) So, my --

10 Q Can you explain what it means for us?

11 A (Johnson) I can. My understanding is that these  
12 two indices were requested by PUC Staff, DOE, in  
13 developing the format of this report. And I will  
14 do my best to explain.

15 So, CTAIDI, and I even have to  
16 reference it, if you can just give me a second.  
17 Actually, I think I can speak to it without going  
18 to it.

19 Q Take your time, if you'd like a moment.

20 A (Johnson) Yes. The intent is, the other indices  
21 include customer counts who did not experience an  
22 event. So, each of these take into account  
23 discrete customers. So, let me jump back to the  
24 definition, so I can do a better job. But that's

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 the basis for it. Hold on one second.

2 So, "CTAIDI" is the total number of  
3 customer interruptions, it's calculated, taking  
4 the total number of customer interruptions by the  
5 number of distinct customers interrupted. So,  
6 you're going to end up with, you know, a larger  
7 number there, because your denominator will be  
8 smaller, because some customers have multiple  
9 interruptions, some have none. So, this only  
10 takes into account distinct customers. So, if a  
11 customer had five interruptions, it would still  
12 just count as a single count in that denominator.

13 And the definition is is "the average  
14 total duration of interruption of customers who  
15 had at least one interruption during the period  
16 of analysis."

17 Q And how does that compare to CAIFI?

18 A (Johnson) Well, so, CAIFI is -- I'll kind of  
19 apologize, I'll read for you the text here:  
20 "CAIFI is designated to show trends in customers  
21 interrupted, and shows the number of customers  
22 affected out of the whole customer base. It's  
23 calculated by dividing the total number of  
24 customer interruptions by the number of distinct

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 customers interrupted."

2 So, CAIFI ends up being a frequency  
3 that is calculated using only distinct customers  
4 in the denominator, as opposed to the total  
5 customer count on the Eversource New Hampshire  
6 system.

7 Q I'm just confused on what this "Section 1.2"  
8 chart is trying to compare?

9 A (Johnson) Well, I don't know that it's -- I don't  
10 believe that it's a -- between the two indices,  
11 it's not a comparison there. It's my  
12 understanding, having just recently become  
13 familiar with these terms, is that CTAIDI is  
14 really -- it's a counterpart to SAIDI, okay,  
15 looking at the System Average Interruption  
16 Duration, but looking only at those discrete  
17 customers impacted.

18 So, when you include the entire  
19 customer base, which includes some customers who  
20 were not interrupted at all, it lowers the  
21 average interruption duration. But, when you  
22 look at only those customers that have been  
23 impacted, it gives a more relevant indice for the  
24 experience of those customers who, in fact, were

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 interrupted. And I'll just point out, is that  
2 this number is in hours.

3 Q Uh-huh.

4 A (Johnson) Which, generally, the other metrics are  
5 in minutes.

6 Q Uh-huh.

7 A (Johnson) And CAIFI, likewise, if you look at  
8 SAIFI, which uses, again, the total number within  
9 the Eversource New Hampshire customer base, when  
10 calculating that frequency, when you look at only  
11 those discrete customers who experienced an  
12 interruption, it gives a more reflective indice  
13 for those customers who have been impacted. And,  
14 you know, and I suppose what it would show over  
15 time is "do you have specific areas on your  
16 system, you know, that are being impacted?" And  
17 the frequency and the duration of those specific  
18 areas may be impacted for those specific  
19 customers.

20 Q So, is it fair to say that this is trying to  
21 demonstrate that, or demonstrate how long, on  
22 average, customers that have an outage are  
23 impacted by that outage?

24 A (Johnson) Yes.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q Okay. As opposed to the SAIDI criteria, which  
2 is, across your system, the average outage, but  
3 that includes customers that were not impacted as  
4 well?

5 A (Johnson) Correct.

6 Q Okay. Thank you. So, then, if we move down to  
7 Bates Page 061, "Tree Related", and I basically  
8 want to go back and forth between this chart and  
9 the pie charts below, because it looks like,  
10 overwhelmingly, two-thirds, three-quarters of the  
11 causes for outages are tree-related. So, can you  
12 walk us through the three charts on 061 how this  
13 is correlated to your overall outages, because  
14 the criteria, on an annual basis, in some  
15 instances, are higher or lower, based on  
16 tree-related outages versus system-related  
17 outages?

18 A (Johnson) Sure. Again, I think you'll still  
19 follow that -- or, notice that generally the  
20 trends are somewhat consistent, as far as year to  
21 year, because many of the measures we have put in  
22 place, with respect to distribution automation,  
23 circuit ties, all of those help, whether it's a  
24 tree-related or otherwise caused outage.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           You know, as you look through these  
2           charts, I mean, you'll notice, 2019,  
3           historically, was just a very good year for us  
4           from a reliability perspective, very few weather  
5           events, a little bit of an outlier over the  
6           recent years.

7           And, if you just look at, you know, the  
8           general trend, SAIFI, which is the Frequency  
9           measure, you see improvement there over the five  
10          years. CAIDI, which is that Average Interruption  
11          Duration, has crept up over the years, and I  
12          attempted to explain that earlier of why. I  
13          mean, you know, I'll be honest, we used to have  
14          events where impacting, you know, if you have an  
15          event that impacts 20,000 customers, and you were  
16          to restore them in 15 minutes, it does wonderful  
17          things for your CAIDI indice, but it's terrible  
18          from a SAIFI perspective, in that the number of  
19          customers impacted are still there.

20          Looking at SAIDI, you know, again,  
21          what's interesting to me on SAIDI is that, you  
22          know, even with the increase on CAIDI, which is  
23          the average duration, you still see significant  
24          improvement in the duration, average duration

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 over the year, because we've made so many  
2 improvements with respect to the frequency with  
3 which customers are being impacted, and the  
4 number of customers per event being reduced.

5 Q And that math is somewhat counterintuitive to me,  
6 and I wanted to follow up on that. Because you  
7 mentioned "SCADA" and "circuit ties" that it -- I  
8 think I understand that those investments help  
9 reduce the number of customers that are impacted  
10 by an event. But I think you're saying that that  
11 can negatively impact some of your indices,  
12 because then you have a smaller number of  
13 customers impacted, who are still experiencing  
14 the impacts of that outage and those subsequent  
15 minutes, is that correct?

16 A (Johnson) Correct. I will say that our  
17 dispatchers within the System Operation Center  
18 and our Electric System Control Center are  
19 phenomenal at restoring the maximum number of  
20 customers they can in under five minutes. And,  
21 so, when you look at, and they track this over  
22 time, the number of customers restored in  
23 different durations of blocks of time, you know,  
24 the number of customers restored in the "under

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 five minutes" has gone up significantly, and the  
2 number of customers restored in the five to, say,  
3 you know, 30 minute range is down significantly,  
4 because they're doing it all through automation  
5 now. And, so, those events that used to pull  
6 down the average duration that are counted  
7 towards the metric are no longer there.

8 Q So, those zero-to-five minute outages, they're  
9 not part of these metrics, correct?

10 A (Johnson) Correct. Correct.

11 Q Okay.

12 A (Johnson) And, just to comment on CIII, you know,  
13 not only do, you know, we have, through more  
14 programmatic efforts of adding SCADA control  
15 devices, and trying to attempt to get our  
16 customer blocks down to less than 500 customers,  
17 you know, while those have impacts, you know,  
18 positive impacts on reducing the number of  
19 customers per outage, you know, so do, you know,  
20 things like just adding additional fusing points,  
21 protection points on the system, adding reclosing  
22 type devices, you know, all of those things,  
23 like, can positively impact and reduce the number  
24 of customers impacted per event.

{DE 22-010} {06-23-22}

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q And what about devices that don't change the  
2 status of the distribution system, but provide  
3 information with respect to electrical quantities  
4 in real-time?

5 A (Johnson) Right.

6 Q Can you talk about some of those changes over  
7 time and what that data provides to your  
8 distribution system operators?

9 A (Johnson) Sure. We've been adding, if you go  
10 back five plus years ago, we were adding about  
11 150 DA devices per year. Right now, it's on the  
12 order of around 75 of these devices per year.  
13 And we're also providing some automation of our  
14 lower voltage substations. But, with each of  
15 those, we bring back data to the Control Center  
16 that provides, you know, amperage, provides loss  
17 of voltage to them, provides a fault current  
18 indication. You know, all of which, number one,  
19 it aids our Planning Department, and from a  
20 long-term planning perspective, in that it, you  
21 know, they have actual real data to use when  
22 developing models.

23 On a day-to-day basis, the dispatchers  
24 know what the loading is on the system, they know

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 their ability to transfer load, and maximize the  
2 use of circuit ties and other sources to pick up  
3 the maximum number of customers.

4 The fault-locating capabilities,  
5 because you can't sequentially, you can only put  
6 so many devices in a series that can coordinate  
7 with a time current characteristic, you are able  
8 to add these devices with fault indication, so  
9 that the dispatcher can see which devices  
10 experience, saw the fault occur, and, therefore,  
11 you know, immediately isolate that faulted  
12 portion of the circuit, and restore all the other  
13 customers.

14 Q And, through that information, are your operators  
15 able to, maybe not exactly identify on every  
16 instance, but narrow what the cause of an outage  
17 might be, whether it's limb contact or a motor  
18 vehicle accident?

19 A (Johnson) So, there's two pieces to that. They  
20 certainly can identify the section of the circuit  
21 that's impacted, and often will be able to tie  
22 that to an emergency call, for example, for a  
23 pole accident and things like that. Not  
24 necessarily whether or not it's a tree contact

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           versus an animal contact. But one thing, the  
2           other aspect of this that is used quite often is,  
3           if it's a difficult area to patrol, or if the  
4           first patrol doesn't identify the problem, they  
5           contact people on-call within our Protection and  
6           Control Department, and they are based -- they  
7           are able to, you know, pull information from  
8           those devices on the fault current that it saw,  
9           and they can predict the location of the fault  
10          usually to within a structure or two, and direct  
11          people directly to those structures to determine  
12          the cause.

13        Q    Okay. Thank you. And then, jumping to Bates  
14            Page 065, can you distinguish what's meant by  
15            "Weather Related" versus "Tree Related"?

16        A    (Johnson) Yes. So, "Tree Related", and I may  
17            defer some to -- I'll let Bob add onto this, but,  
18            generally, "Tree Related" is tied to any contact  
19            tree or limb to the line.

20                    Weather impacts tend more to be due to  
21            snow loading on the conductors themselves, or  
22            high winds causing conductor slap. You know, I  
23            think, over the years, we've attempted not to tie  
24            veg. M related issues to give them a weather

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           cause. I think we've done, you know, we try and  
2           really get to the root cause, which is a limb,  
3           which, you know, which contacted the line.

4                           Do you agree with that, Bob?

5    A       (Allen) Yes. That's the assessment that I would  
6           give. Yup.

7                           CMSR. SIMPSON: Okay. Thank you. I  
8           think that's all I have, Mr. Chairman.

9                           CHAIRMAN GOLDNER: So, a question for  
10          the parties, it's 12:20, I have about ten  
11          questions. We can power through, if you like,  
12          and go to closing after I finish, or we can take  
13          a break?

14                           I'll leave it to the parties. Do you  
15          have a preference, and maybe, Mr. Dexter, to  
16          start with?

17                           MR. DEXTER: Well, maybe a short break,  
18          and come back at 12:30, and then finish, and then  
19          have a lunch break after that.

20                           CHAIRMAN GOLDNER: Yes. I mean, I can  
21          power through to 1:30 without lunch, but others  
22          might not feel the same way.

23                           So, I can -- would you like to take a  
24          break now? And then, if we took a break now,

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 we'd probably just ought to come back at 1:00 or  
2 so after lunch maybe. Ms. Ralston?

3 MS. RALSTON: I think the Company is  
4 fine with powering through, I guess, depending on  
5 how long you anticipate your ten questions.

6 CHAIRMAN GOLDNER: The questions I can  
7 anticipate, it's the answers I struggle with.

8 CMSR. SIMPSON: Or, I guess, do we --  
9 would you like a ten-minute break or would like  
10 45 minutes?

11 MR. DEXTER: Well, that's what I was --  
12 that's what I was suggesting. But, if we're  
13 going to take a break, maybe we should -- I'd  
14 like to finish before lunch. But it sounds like  
15 the Chairman's got some questions, and why rush  
16 it? So, why not have a lunch break, and then  
17 finish after lunch.

18 CHAIRMAN GOLDNER: Okay. Let's do  
19 that. Let's just return at 1:00 straight up.  
20 And, like I said, I've got ten questions, I just  
21 can't anticipate how long the answers will be,  
22 and then we'll go straight to closing.

23 Okay? All right. Very good. So,  
24 we'll go off the record, returning at 1:00.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Thank you.

2 *(Recess taken at 12:25 p.m., and the*  
3 *hearing resumed at 1:13 p.m.)*

4 CHAIRMAN GOLDNER: Okay. We'll pick  
5 back up again with Commissioner questions. Just  
6 a moment please.

7 And, Attorney Ralston, I do have some  
8 questions for Mr. Davis. I can start with  
9 another section, but I'll -- oh, there we go.  
10 Let's just start with Mr. Davis. Thank you.

11 WITNESS DAVIS: Good afternoon.

12 CHAIRMAN GOLDNER: Good afternoon.

13 BY CHAIRMAN GOLDNER:

14 Q I'd like to start with, you know, your Exhibit 4,  
15 Mr. Davis. And I just want to make sure I  
16 understand the transaction of net metering. I  
17 think what you're saying is, that you're taking  
18 the nameplate capacity, you're understanding  
19 whether net electricity was bought or sold,  
20 you're subtracting those two numbers, and you're  
21 arriving at kind of a total number. So, the  
22 number that you're getting that the household is  
23 actually using is based on the nameplate  
24 capacity, is that right?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 A (Davis) Yes. The portion -- first of all, can  
2 you hear me okay, Mr. Chairman?

3 Q Yes. Yes.

4 A (Davis) Okay. Sorry. So, we are recognizing the  
5 portion of their total production that's used by  
6 the household, yes. And that's basically  
7 displaced sales, in other words, the amount of  
8 the sales they would have drawn from the grid,  
9 but instead supplied from their generating  
10 resource, the PV, in this case.

11 We also have a meter that identifies,  
12 you know, captures any kilowatt-hours that are  
13 delivered out to the grid. So, we start with  
14 total production, and anything that's delivered  
15 out to the grid is not being used by that  
16 household. And, so, by being able to quantify  
17 the household usage that's supplied by the PV  
18 array, that's really, for residential  
19 particularly, since all of our rates are per  
20 kilowatt-hour based, we have the number of  
21 kilowatt-hours that a household uses that's  
22 supplied by the generator. So, that calculation  
23 really just relies on that export meter, and our  
24 calculation of what the total production is, and

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 just taking that difference. Really, pretty  
2 straightforward.

3 Q Yes. I think it is straightforward. It's just  
4 it's based on nameplate capacity. So, it's  
5 unknown, I guess, whether it actually produces at  
6 nameplate, or not. Or you would have no way of  
7 knowing?

8 A (Davis) Well, that's what the PVWatts model is --  
9 it's a model, so, it is a calculation. But what  
10 it -- it's a well-recognized basis for, depending  
11 on the nameplate capacity, physically where  
12 you're located, and all the parameters that go  
13 into what a PV resource would produce, is a  
14 reasonable and accepted calculation to estimate  
15 the production. It can be refined in a number of  
16 ways.

17 But it's something that has been  
18 vetted, you know, before the Commission, and is  
19 recognized as an acceptable method to calculate,  
20 again, using a model that, you know, it's based  
21 on the data collected for PV arrays, and provides  
22 a reasonable calculation.

23 Naturally, if one had a meter on there,  
24 you would see some differences. I personally

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           have, for a number -- I conducted a huge  
2           experiment when I was -- when we were -- before  
3           Eversource was part of Northeast Utilities, and  
4           we were addressing this issue back in  
5           Massachusetts. So, for western Massachusetts, I  
6           did extensive analysis where I took actual  
7           production meters, and calculated PVWatts against  
8           those meters, in New Hampshire and western Mass.,  
9           but certainly in New Hampshire. I tried all  
10          different locations around the whole state, and  
11          different elevations, and different array, you  
12          know, the way the arrays are angled, and a whole  
13          bunch of calculations. And I was able to confirm  
14          that the numbers from PVWatts are reasonable, and  
15          actually were pretty close.

16                         And, obviously, we have, in New  
17          Hampshire, out of this, I have a reference to an  
18          order, and also a proceeding where this issue was  
19          addressed, and accepted as a reasonable basis for  
20          calculating that production.

21                         I think it's fairly conservative. But,  
22          again, we're using it as a reasonable  
23          approximation for what the actual production is.

24          Q           Okay. Thank you. And how long ago was that

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 study done?

2 A (Davis) That study, I think I did that one in the  
3 2011 timeframe. We've since, like I looked last  
4 year, when we first submitted our LBR in New  
5 Hampshire, reviewed that calculation using that  
6 model. And I looked at it this year. I  
7 inherited this testimony. And, obviously, I went  
8 through in detail, you know, literally all of the  
9 lines, lines of customers in here, and just kind  
10 of scanned through it.

11 I didn't do an updated analysis as I  
12 described, but I had also previously drawn  
13 conclusions from what was then separately NSTAR  
14 Electric and National Grid, in Massachusetts,  
15 what they had done, comparable to Western Mass.  
16 Electric.

17 And, so, I think the model still -- I  
18 know National Renewable Electric Lab has updated  
19 the model. But it's basically just being relied  
20 on as an assumption, that I assume is still  
21 reasonable and it still holds.

22 And, of course, we could refine that.  
23 And, ultimately, if we did have production meters  
24 on every single one of these locations, that we

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 would have actual data for the given period.

2 But, again, you know, we're relying on that

3 PVWatts estimator as the basis for total

4 production.

5 Q Okay. And I assume, I didn't look before the  
6 hearing, but I assume this calculation is clearly  
7 defined in the Settlement?

8 A (Davis) It is. In fact, I remember submitting,  
9 on behalf of Eversource, a data request that  
10 actually put the formula, you know, everything  
11 that's reflected in Exhibits A through E, for  
12 example, that's all reflected in a detailed data  
13 request, where I put the formula in there, and  
14 demonstrated, you know, how that works.

15 Earlier today, I had walked through an  
16 example for that ID Number 1 account. But I had  
17 gone through that for all of the accounts. So,  
18 our Exhibit E, here in this case, that's at Bates  
19 198, starts at Bates 198, does reflect the  
20 application of that formula. And the numbers  
21 that I put on the record earlier, I think, just  
22 illustrate the calculation that the formula would  
23 take for an individual customer. And it is done  
24 on a monthly basis.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1                   What's important about the PVWatts,  
2                   it's not just an annual number, it actually  
3                   shapes the production, based on, you know, as --  
4                   I think we used Concord as a central location for  
5                   the state. And the calculations each month  
6                   reflect the solar radiation and, ultimately, the  
7                   production from a solar array, on average, for  
8                   each month. And then, we apply that against the  
9                   actual metered, billed output that's delivered to  
10                  the grid, and we do that calculation each month  
11                  for each customer.

12    Q            Okay. Very good. Thank you. On Bates Page 007  
13                  of your testimony, it shows that "the Company  
14                  estimates that the total LBR of 579,000," down at  
15                  the bottom on Page 007, "included in the RRA, as  
16                  compared to a total LBR of approximately 290,000  
17                  under current rates." And, so, I'm kind of  
18                  wondering why it doubled in the last year?

19                         When I was looking through your data,  
20                         it didn't look like you doubled the number of  
21                         installations. So, I'm struggling with the math.

22    A            (Davis) Yes. I think it's not so much the  
23                  number, but the number and the size of the  
24                  installations that were implemented with an

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 in-service date for 2021. So, it's cumulative as  
2 well.

3 So, what's that? Yes. So, it's  
4 roughly -- I'll just think out loud for a moment  
5 -- it's about double, yes. I could certainly go  
6 through and, if you'd like, as a record request,  
7 just sort of quantify the incremental installed  
8 capacity.

9 But I will say also, I described a  
10 little earlier today that it's not just the  
11 capacity, it's also, particularly with the new  
12 accounts, it will be a matter of how much of the  
13 total production was utilized behind the meter  
14 versus delivered to the grid. So, I could do a  
15 combination of how much additional capacity is  
16 brought on, as well as the amount of that  
17 capacity that the energy from those units,  
18 incrementally, that have been delivered to the  
19 grid. And maybe that will help give a little  
20 better understanding or support behind the  
21 magnitude.

22 Also, one last thing. There was a rate  
23 change. So, the distribution rate has increased  
24 and contributes to the additional revenue.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q I remember it being around 5 cents in the chart.  
2 What was it previously?

3 A (Davis) I think it was "5.116". And I think I  
4 would probably go to one of our exhibits, I think  
5 Exhibit 6 here, and it's -- actually, I think  
6 it's in the calculations in Exhibit 4. Let me  
7 see if I can locate that.

8 I think it might be in -- actually,  
9 probably Exhibit E, let me just go to that again.  
10 Because the rates did change mid -- during the  
11 middle of the year.

12 I don't have that handy. But I can  
13 certainly get that, if you want me to read it in  
14 here.

15 Q I mean, it's okay. I'm just looking for trends  
16 at the moment. I can look that up. No, no  
17 problem.

18 A (Davis) Okay.

19 Q And my final question on this topic is, or in  
20 this Bates Page 007, is this a trend you expect  
21 to continue? So, it doubled versus last year.  
22 Is this -- should we expect to see another  
23 doubling next year or an increase of another  
24 couple hundred thousand? What's the trend line

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 here, in terms of what, you know, ratepayers  
2 should expect from increasing costs in the RRA in  
3 the future?

4 A (Davis) I think it would generally be, if the  
5 trend of installations continues at the same pace  
6 as it had, we would see, I guess, the incremental  
7 amount, the difference yet again. In other  
8 words, if we grew by another, I don't know if  
9 it's 50 percent, but some -- if you look at the  
10 growth in 2021, and the difference in revenue,  
11 and recognizing we had both the capacity -- well,  
12 you have the capacity increase change in price,  
13 as well as the dynamic of not knowing exactly  
14 what customers' usage was, compared to how much  
15 is delivered to the grid.

16 But, as a simple assumption, if we see  
17 a steady trend of increased interconnections for  
18 PV, for example, and similar relationships of how  
19 much is delivered to the grid, I would say maybe  
20 it's another 250,000, as a rough measure, maybe  
21 300, on that order, as opposed to doubling.

22 Q Okay.

23 A (Davis) And then, I could also provide an update  
24 of, you know, what we've seen year-to-date, in

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 terms of installations, and some estimate of what  
2 the path is, in terms of "where do we think we'll  
3 be by the end of the year?"

4 Q Yes. And, really, where I was going was, you  
5 know, is this -- is this a pilot program? Is  
6 this something that's expected to continue into  
7 the next rate case? What is the Company's, you  
8 know, position on this?

9 A (Davis) Yes. The model that we're implementing  
10 is based on an assumption that we would continue,  
11 as an interim -- on an interim basis, and that,  
12 in the next rate case, we are required to, and  
13 have agreed to, submit a decoupling -- revenue  
14 decoupling proposal or a decoupling proposal of  
15 some kind, I think it's revenue decoupling. And,  
16 at that point, for example, if a revenue  
17 decoupling methodology was applied, this LBR  
18 mechanism, and I think this would also apply to  
19 energy efficiency, where we have LBR, but those  
20 would terminate, and would be replaced by a  
21 decoupling mechanism that decouples the sales  
22 from the revenue.

23 What this interim measure is doing is  
24 capturing, with an assumed set of sales, as to --

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 to design rates, as customers install  
2 behind-the-meter generation, that reduces those  
3 sales. But we've designed rates based on the  
4 test year.

5 So, between the last rate case and that  
6 set of sales, and the next rate case and the  
7 outcome, presuming that there would be a  
8 decoupling mechanism as I described, that the LBR  
9 mechanism would then terminate, the one that we  
10 have here.

11 Q That's very, very helpful, Mr. Davis. Thank you.

12 A (Davis) You're welcome.

13 Q And I think there's -- are there any other LBR  
14 mechanisms, inside or outside the RRA? We know  
15 about this one, obviously. We know about energy  
16 efficiency. Are those the only two LBR  
17 mechanisms that you're aware of?

18 A (Davis) That's correct.

19 Q Okay. Perfect. Very helpful. Okay. Thank you,  
20 Mr. Davis. That's all I have for Exhibit 4.

21 A (Davis) You're welcome.

22 Q I'll turn back to Exhibit 1. And I'll start on  
23 Bates Page 010. And this is a question for  
24 anyone on the panel.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           But my first question is, you know, you  
2 talked earlier about, you know, the trees being  
3 trimmed at least every four to five years,  
4 Enhanced Tree Trimming along the main backbone.

5           And, so, my first question is, in  
6 testimony earlier, it was mentioned that "1,200  
7 out of the 1,600 miles for ETT were already  
8 complete". And, if Eversource is doing 150 miles  
9 a year, does that mean ETT ends in about four  
10 years, and you'd be finished with that program?

11 A       (Allen) Yes, that's what I said earlier. We're  
12 not really doing 150 miles a year, though. That  
13 was our goal when we first started the program.  
14 And it is an expensive treatment of the  
15 circuitry.

16           So, as we've gotten to this point,  
17 two-thirds of the work done, three-quarters of  
18 the work done, it's not as -- it doesn't show up  
19 as much as something that we need to attack at  
20 150 miles a year. But we're still -- we want to  
21 complete what we told the Commission we would  
22 complete. So, we're probably looking at 40 to 50  
23 miles a year, and just doing it on those miles  
24 that were already scheduled for the circuitry

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           that year.

2   Q       Okay.  So, in coming rate cases, we could expect  
3           to see ETT again, because it won't be complete  
4           anytime soon?

5   A       (Allen) I think that would be a good assessment,  
6           yes.

7   Q       Thank you.  Is this program, you know, the  
8           methodology you're using with ETT, the  
9           methodology you're using with, you know, every  
10          four to five years, is that the same, or each  
11          were identical, but is that a similar process or  
12          the same process as what you're using in  
13          Connecticut and Massachusetts?

14  A       (Allen) It certainly started that way in both  
15          states.  There have been some changes to both  
16          programs.

17                   Connecticut is still doing an ETT, but  
18                   they're also doing it on laterals.  So, areas  
19                   that have a lot of customers on a lateral line,  
20                   we haven't done that.  We've done just backbone  
21                   lines where we could get it accomplished.

22                   And then, in Massachusetts, they  
23                   switched to something called "RTW", which is  
24                   "Reliability Tree Work".  And that encompasses an

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 ETT-type program.

2 CMSR. SIMPSON: Can I ask a quick  
3 question on that?

4 CHAIRMAN GOLDNER: Yes.

5 BY CMSR. SIMPSON:

6 Q When you say "backbone", do you mean like the  
7 Company's sub transmission 34.5 kV system?

8 A (Allen) That is included. But what we mean, in  
9 the veg. world, which might be different than  
10 Mr. Johnson's engineering world, is from the  
11 source to the first protective device.

12 CMSR. SIMPSON: Okay. Thank you.

13 That's helpful.

14 BY CHAIRMAN GOLDNER:

15 Q And just following up on that, is there, when you  
16 look at the other states, and specifically  
17 Connecticut and Massachusetts, and you look at  
18 your history there, you look at your history  
19 here, is there anything that you would say to the  
20 Commission, in terms of something that you would  
21 want to do differently moving forward?

22 A (Allen) Yes. Thank you. I've worked in all  
23 three states. I had 17 years in Connecticut, and  
24 I ran the Massachusetts and New Hampshire program

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 from 2013 to 2018. So, I have some background in  
2 both of those states.

3 The thing that has worked recently, in  
4 Connecticut, is partnering with towns and the  
5 DOT. We haven't received necessarily funding  
6 from the DOT or from towns, but we've been able  
7 to partner with them, such as our contractors do  
8 the work, and the DOT or the town provides the  
9 flagging. They do the outreach, in some cases,  
10 and they also do the wood pick-up.

11 So, significantly more productive, for  
12 us to be able to not have to pay for flagging.  
13 To just go down the road, and whatever budget  
14 line item we had for that circuit, we can realize  
15 the full extent, as opposed to paying for traffic  
16 control.

17 So, if we could find a way to do that  
18 in the future, that would be something that would  
19 help us.

20 CMSR. SIMPSON: Could I ask a follow-up  
21 on that?

22 CHAIRMAN GOLDNER: Of course.

23 CMSR. SIMPSON: Thank you.

24 BY CMSR. SIMPSON:

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q So, how does that -- how do you structure that  
2 program in Connecticut? Like, does the DOT have  
3 tree work that they are wanting to do, and then  
4 they come to the utility in Connecticut, and you  
5 kind of fund the overlap?

6 A (Allen) There has been some of that. The biggest  
7 issue came out of a panel that got together  
8 because of gypsy moth, which is now called  
9 "spongy moth", emerald ash borer, and the  
10 drought. So, these three things occurred in  
11 Connecticut, and, simultaneously, in the mid  
12 teens of this century. And, so, we were able to  
13 work with the state and say -- the state didn't  
14 have tree crews, they had money that they could  
15 take trees down, but they didn't have the tree  
16 crews. And the feeling was that Eversource had  
17 tree crews. And, so, they got people together  
18 from both sides, and looked at how best they  
19 could handle it.

20 One of the issues is, as I said, it's  
21 an aging roadside forest, and that's true in  
22 Connecticut as well, and they have a lot of oak  
23 over state highway. And gypsy moths, or "spongy  
24 moth" now, or "LDD", *lymantria dispar dispar*, is

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 the biological name for it. I'm going to keep  
2 saying "gypsy moth", I'm sorry, I've been doing  
3 it for a long time. But spongy moth kills oak  
4 trees, it's its favorite meal. And while most  
5 oaks, and specifically immature ones, can handle  
6 one defoliation, they really can't handle  
7 successive defoliations. So, when you have that,  
8 plus a drought, you have a lot of standing dead  
9 trees.

10 And just as an aside, on the way in  
11 today, on Route 9, in Henniker, there is an awful  
12 lot of spongy moth defoliation. If you drive out  
13 that way, you will see completely mature oak  
14 trees and maple trees that are bare of leaves  
15 right now.

16 So, one of the things we've tried to do  
17 is work with Kyle Lombard, who is the Forest  
18 Health Technician for the state. He's given us  
19 heat maps, showing where there is problems with  
20 certain insects, such as emerald ash borer or  
21 spongy moth. We then lay that -- overlay that on  
22 our plan for the year, and we can maybe attack  
23 some of those areas quicker, which is something  
24 that we've never done in the past. That's a

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 partnership with the state, and we just started  
2 this year.

3 CHAIRMAN GOLDNER: Anything else,  
4 Commissioner Simpson, on that one?

5 CMSR. SIMPSON: No. I would just add,  
6 that sounds like a pretty innovative program.  
7 And I would encourage the Company to develop  
8 those types of efforts in the future, --

9 WITNESS ALLEN: Yes.

10 CMSR. SIMPSON: -- and bring them  
11 before us.

12 WITNESS ALLEN: Yes. We'd be happy to  
13 do that.

14 CMSR. SIMPSON: Thank you.

15 CHAIRMAN GOLDNER: Thank you.

16 BY CHAIRMAN GOLDNER:

17 Q All right. The next, I just wanted to run  
18 through some math. On Bates Page 013, I'll let  
19 everyone get there, of the same exhibit. It  
20 says, beginning on Line 4, that "the Company  
21 trimmed 2,594 miles of SMT/METT in 2021 at a cost  
22 of the \$13.8 million." And I just want to make  
23 sure I'm doing the math right. If you're -- does  
24 that mean the Company has about 12,000 miles of

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 the SMT/METT, or is that about right?

2 A (Allen) We have about 12,000 miles of overhead  
3 lines, yes.

4 Q Oh. Excellent. Okay. Good. Just wanted to  
5 make sure I can multiply things by four.

6 So, then, on Page 15, Bates Page 015,  
7 of the same exhibit, it talks about the 2022 plan  
8 as being, and it's Lines 1 and 2, of being "\$24.8  
9 million", which is, you know, obviously, a pretty  
10 large increase, you know, something like, you  
11 know, 10 million or something.

12 Is why such a large increase? And  
13 then, I didn't capture that from the previous  
14 tables we looked at, it looked like everything in  
15 2022 was flat. And you mentioned earlier that,  
16 you know, you negotiated the contracts, and  
17 everything was expected to be about the same.  
18 So, I couldn't correlate those two facts.

19 A (Allen) And I understand why. It was the 2021  
20 was netted from the phone reimbursement.

21 *[Court reporter interruption.]*

22 **CONTINUED BY THE WITNESS:**

23 A (Allen) The telephone company reimbursement.

24 BY CHAIRMAN GOLDNER:

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Q Oh. Okay.

2 A (Allen) We don't -- we haven't known if we were  
3 going to get telco reimbursement this year.

4 Q This was Consolidated?

5 A (Allen) Yes.

6 Q Okay. Okay. Thank you. That's very helpful.  
7 But you would say that that 24.8 run rate is the  
8 appropriate run rate, you know, moving forward.  
9 Now, you're going to have an increase in '23 to  
10 '24, because of the costs?

11 A (Allen) We expect so, yes. So, the 24 million is  
12 representative of the miles that we have  
13 scheduled times the cost per mile, which was put  
14 out in an RFP, and we have five different costs  
15 per miles, because it's five different  
16 contractors. But it was all negotiated by our  
17 procurement agent.

18 And I think it's more competitive than  
19 it is in Massachusetts and Connecticut.

20 Q What's the spread on those costs per miles from  
21 those five companies? Do you have a pretty tight  
22 spread or you have -- or is it pretty wide?  
23 Would you plus or minus 10 percent, plus or minus  
24 100 percent?

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Well, probably not "minus 100 percent",  
2 but --

3 A (Allen) Right. I would think, I would be  
4 comfortable saying our low is in the 5,500  
5 range, --

6 Q Okay.

7 A (Allen) -- per mile, and our high is in the 9,000  
8 range.

9 Q Nine thousand. Okay.

10 A (Allen) Those are not exact figures, but  
11 estimates.

12 Q Yes. No problem. And are you able to sort of  
13 drive the load -- or, drive the work into the  
14 lowest cost bidders, or is that -- did they also  
15 negotiate a number of miles in the agreement?

16 A (Allen) So, we put out the twelve different area  
17 work centers we have, we put out to bid what the  
18 amount of miles that are going to be done in each  
19 year for the next four years. And then, some  
20 contractors choose to bid on all twelve. Some  
21 choose not to, they pick, where they might have a  
22 labor force issue, they might not bid, where they  
23 do have a labor force, they will bid. So, it  
24 gets driven by kind of supply-and-demand on that,

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 as to whether there are crews available to do the  
2 work.

3 Q Okay. Okay. That's very helpful. On Bates  
4 Page 012, it says that you "routinely audit the  
5 vegetation management work performed." Can you  
6 just share maybe your top, you know, one or two  
7 findings? When those audits are performed, what  
8 did you find?

9 A (Allen) Great question. Oftentimes, so, it's  
10 eight feet to side is our spec from the primary,  
11 ten feet below, and fifteen feet above. More  
12 often than not, it's not necessarily a quality  
13 issue, although we do see occasionally bad cuts,  
14 what we would consider "bad cuts"  
15 arboriculturally. More often than not, it's the  
16 overhang hasn't been achieved. And it could be  
17 because they had a 50-foot bucket, and then  
18 needed a 60, and they tried to, you know, get as  
19 much as they could.

20 But I would say we do a 100 percent  
21 audit. We have it done usually by March of the  
22 following year. So, we can't, obviously, look at  
23 something on December 30th that was trimmed on  
24 December 29th. We're continually moving that.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1                   But I would say, in general, our  
2                   biggest concerns would be overhang. And that's  
3                   purely because of the size of the trees and the  
4                   size of the equipment on the job.

5    Q    And I noticed in I believe it was your testimony  
6           that, if the work wasn't performed adequately,  
7           there's a 12-month period when the company has to  
8           come back and do it at no additional cost?

9    A    (Allen) That is correct. Yes. And, so, we call  
10           those "go-backs". And we meet with them every  
11           month and go over that list, and make sure  
12           they're on top of it. So, we don't end up in a  
13           12-month situation. That's the worst case  
14           scenario, because we want those things taken care  
15           of, so we can consider that circuit to be  
16           complete.

17   Q    Okay. Very good. Is the Company exploring,  
18           either itself or with contractors, any new  
19           technology to bring down the costs over time?

20   A    (Allen) So, there is new technology out there,  
21           two things we tried in the last couple of years.  
22           One is, sometimes people call it a "giraffe" or a  
23           "SkyTrim". It's a "Jarraff", antiquated, like  
24           Kleenex, everybody calls stuff "Kleenex", even

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1           though it might have a different brand name.

2           "Jarraff" is a brand name, and most people call  
3           that type of unit a "Jarraff".

4                         What it is is a tractor, with about a  
5           40-foot hydraulic boom on it, that has an  
6           articulating saw on the end. Great piece of  
7           equipment for the right application. The concern  
8           is, you have to be between the wires, and usually  
9           the stone wall. It's not something you go down  
10          the street, because the trees are on this side of  
11          the wires [*indicating*], you're on this side  
12          [*indicating*]. So, you got to be closer to the  
13          trees with it. And you can just cut it, you  
14          don't necessarily hold it, like you would with a  
15          bucket truck or a rope. So, it's a specialized  
16          piece of equipment. It has its place for it.  
17          And I think, if you were to go down south, you  
18          would find, and "south" being Georgia and Texas,  
19          I was in Texas last week, if there's 20 trucks in  
20          a yard, 18 of them would be the  
21          SkyTrimmer/Jarraff, because it's flat, and the  
22          trees aren't as big, and you can get on the  
23          inside of the wires.

24                         When you come up here, you see 20

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 pieces of equipment, you're going to see 19  
2 buckets and maybe one SkyTrim.

3 That doesn't mean it's not something we  
4 can use. It is more productive, going down the  
5 road, it gets down there faster, it doesn't have  
6 to set up as many times. But you still have to  
7 pick up everything it cuts. Whereas, with a  
8 bucket truck, you've got two folks there, and  
9 they're chipping as they go.

10 We have found that one of the things  
11 that works best is to mow the brush that's been  
12 cut after, and "mow" is a little bit of a benign  
13 term for that piece of equipment, but it really  
14 just chews up everything that it runs over. And  
15 that works, but, again, you're putting two pieces  
16 of equipment on a place where we used to put one.

17 If I can give you kind of an idea,  
18 across the Eversource, all three states, an  
19 average bucket crew does about half a mile of  
20 work per week. So, if you were to look at a mile  
21 of line, and this isn't true in every circuit,  
22 but 30 sections would equal a mile of line, on  
23 average. So, if they do three sections a day,  
24 for five days, they get a half a mile. And

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 that's completely done, cleaned up. The SkyTrim  
2 unit, or Jarraff, in theory, in the right  
3 situation and the right application, perfectly  
4 flat, not have to worry about overhang, you could  
5 conceivably do three to five miles a week. So,  
6 it is much faster. But you still have to come  
7 back and clean it up, and it doesn't always make  
8 the best cuts. So, there's a quality issue.

9 But, long answer to your question "Are  
10 we looking into things?" We've looked at it,  
11 we've studied it. We think there's places for  
12 it.

13 What I think we'll do in the future, is  
14 we're highlighting every map that we used this  
15 thing on. So, then, when we go out to bid next  
16 time, we can say "These are Jarraff or SkyTrim  
17 miles, these are bucket miles", which should get  
18 us a better price.

19 So, is there savings? I hope so. But  
20 that's the only way I can predict that it might  
21 happen, is if we tell the contractor where they  
22 used it and where you can use it again, which is  
23 a little bit labor-intensive for us to go out and  
24 find those spots for them. But it is something

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 we've used.

2 We also tried the helicopter, with the  
3 90 sawblades hanging from it. I don't know if  
4 you guys saw that at all on TV or in the paper.  
5 We tried it in Stoddard and Antrim. It worked  
6 fantastic last year. It's a hard-to-access line,  
7 it's very remote. And this machine -- helicopter  
8 comes through, with a very adept and agile pilot,  
9 who can come through and just saw off these  
10 branches so fast, compared to what we would  
11 normally do. Again, there's a clean-up issue.  
12 But, because it's remote, if we can talk to the  
13 property owner, generally, we just leave a lot of  
14 that stuff there. It works. It's just not  
15 something you can use everywhere, because it's  
16 pretty scary-looking when it's running.

17 CMSR. SIMPSON: I can imagine.

18 **CONTINUED BY THE WITNESS:**

19 A (Allen) And if I could just add to that? The  
20 SkyTrim unit, what's going to happen with that is  
21 we're going to get more operators who are  
22 comfortable with it. Right now, it's a totally  
23 new thing. And I can't say that I'd put just the  
24 average tree trimmer on it. We need to have them

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 trained and learn how to do it.

2 BY CHAIRMAN GOLDNER:

3 Q Okay. Very good. Very good. So, maybe just a  
4 couple more questions. On Bates 014, the filing  
5 says that it "only contains preliminary  
6 information, as the Company expects to file  
7 another RRA adjustment later this year." Is that  
8 right? Are we expecting Eversource back later  
9 this year? I thought this was the RRA hearing.  
10 So, I was confused.

11 CHAIRMAN GOLDNER: And I'm just looking  
12 at Bates 014. I'll try to find the line number.  
13 People look baffled.

14 MS. RALSTON: So, I think what this is  
15 referencing is that we filed this in March, and  
16 then we filed the updated information on April  
17 29th.

18 Was that what you were going to say,  
19 Marisa?

20 *(Witness Paruta indicating in the*  
21 *affirmative.)*

22 MS. RALSTON: Yes.

23 WITNESS PARUTA: Correct.

24 MS. RALSTON: So, these reports were

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 filed, and then the actual rate information  
2 followed a couple months later.

3 CHAIRMAN GOLDNER: Okay.

4 MS. RALSTON: I think that's the  
5 reference, yes.

6 CHAIRMAN GOLDNER: So, this is the --

7 MS. RALSTON: There will be nothing  
8 else this year. Yes, you have everything.

9 CHAIRMAN GOLDNER: Okay. Good. Very  
10 good. Thank you. Okay, that's very helpful.

11 BY CHAIRMAN GOLDNER:

12 Q Just maybe a last clean-up question. We talked a  
13 little bit before about the five vendors, and the  
14 cost per mile, 5,500 to 9,000.

15 What did that look like in the prior  
16 cycle? And what are you anticipating in the next  
17 cycle?

18 A (Allen) Frankly, I don't know what to anticipate  
19 in the next cycle. One of the reasons is, we  
20 don't know how hard it's going to be to get  
21 crews. It's been very, very difficult to get  
22 crews.

23 So, bringing Wright and Nelson in was  
24 really good for us, because they have access to

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 crews all over the country. To that end, I think  
2 some of the other New Hampshire utilities are  
3 starting to put them on their bid list, which is  
4 good, which means we'll have more of a pocket of  
5 crews here than we had in the past.

6 As far as how it related to the last, I  
7 don't remember the exact numbers, but I can tell  
8 you it was significantly lower, in my mind.

9 Q Would you, just guessing, 20 percent less?

10 A (Allen) Yes. Yes, I think that would be fair.

11 Q Okay. It was interesting you found a crew in  
12 Iowa, because I notice there's no trees there.  
13 So, that was -- that's a good place to find guys  
14 that need work.

15 A (Allen) Yes.

16 Q So, that was -- that was good. Excellent. And  
17 my last question, I'm done with Exhibit 1. So,  
18 thank you. Thank you very much. Just moving to  
19 Exhibit 6, Bates 011, and this is the last couple  
20 of questions. I'll just find the page. All  
21 right.

22 A (Paruta) Yes, Chairman Goldner. I am there.

23 Q Thank you. Thank you very much. So, I'm just  
24 trying to follow the money flow. I don't quite

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 grasp what's going on here.

2 So, the PUC and DOE costs, OCA costs,  
3 are gathered up, including the consulting costs,  
4 and those are divided up between the utilities.  
5 And we're looking at Eversource's portion of  
6 that. So, so far so good?

7 A (Paruta) Correct.

8 Q Okay. Okay. And then -- and then, you know, so,  
9 for example, on here you've got a bunch of  
10 different docket numbers, I'll just start at the  
11 top, so, "DE 20-092".

12 How does the money find its way into  
13 that docket? If there's, you know, costs  
14 associated with that docket, I assume that those  
15 costs are consolidated in that docket, and that  
16 the costs are moved into that particular bucket.  
17 Is that -- is that right? Or what happens with  
18 respect to the money, after it flows into the  
19 RRA?

20 A (Paruta) That's a very good question. So, the  
21 docket number that's listed here is to identify  
22 the work that the consultants that were hired to  
23 perform, not on behalf of Eversource, but on  
24 behalf of any of the state agencies. So, the

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 costs do not get booked to that docket. The  
2 costs are actually recorded to a work order that  
3 is tracked by our department, the Revenue  
4 Requirements team, to ensure that the costs, that  
5 those are paid back to the agencies, in order for  
6 them to refund these vendors. Those are  
7 deferred. And then, our department, our Revenue  
8 Requirements team, my team, will pick these costs  
9 up and flush them through the RRA. These are not  
10 flowing through energy efficiency, for Lines 1  
11 through 3, as an example. That's a very good  
12 question.

13 Q Okay. Okay, thank you. And the numbers are  
14 fairly small. But these numbers don't hit these  
15 programs. So, whether it's 16-576 or -092, the  
16 costs are just transported between -- inside of  
17 the RRA account, right? It doesn't -- that's the  
18 only place it goes?

19 A (Paruta) That's correct. Yes. The only reason  
20 why we do list the docket numbers here is for  
21 reference for purposes for, you know, those who  
22 are reviewing these to know exactly what dockets  
23 that these vendors were working for. It is not a  
24 direct correlation in how the Company books these

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 costs at all. They are not being tracked in any  
2 of these other lines of businesses.

3 CHAIRMAN GOLDNER: Okay. Okay. And,  
4 Mr. Dexter, if you'll just indulge a question.

5 Would it be -- is it in any way  
6 constructive or destructive to provide this  
7 information moving forward with any kind of split  
8 between the PUC, the DOE, and the OCA? It looks  
9 like its all kind of bundled together today in  
10 about a \$5 million charge.

11 Do you -- would you care to comment on  
12 any improvements in the accounting or is this  
13 sort of satisfactory, from your point of view?  
14 If you're comfortable answering my question?

15 MR. DEXTER: I am completely unfamiliar  
16 with the internal accounting of the Department  
17 and the Commission and the OCA. So, I think I'm  
18 just going to take a pass on that question.

19 CHAIRMAN GOLDNER: Okay.

20 MR. DEXTER: I don't have anything to  
21 add at all.

22 CHAIRMAN GOLDNER: Thank you. Fair  
23 enough. Very good on that.

24 And I'll turn back to Commissioner

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 Simpson, and see if there's any follow-ups, from  
2 your perspective?

3 CMSR. SIMPSON: No, I don't have any  
4 follow-ups.

5 But I would just say to Ms. Ralston  
6 that I have made comments in other dockets with  
7 respect to witness availability. And, today,  
8 having the variety of witnesses who could speak  
9 to all of the issues in the proceeding has been  
10 incredibly valuable. So, I encourage the Company  
11 to take that approach moving forward.

12 So, thank you all.

13 MS. RALSTON: Thank you. We will  
14 definitely take note of that.

15 CHAIRMAN GOLDNER: Thank you. Okay.  
16 Very good.

17 We can move to -- let me, just a moment  
18 here, make sure that I've got everything in  
19 order.

20 So, is there any redirect for the  
21 witnesses?

22 MS. RALSTON: There is. I just have a  
23 couple questions.

24 CHAIRMAN GOLDNER: Okay.

[WITNESS PANEL: Johnson|Allen|Paruta|Davis]

1 MS. RALSTON: Okay. Thank you.

2 **REDIRECT EXAMINATION**

3 BY MS. RALSTON:

4 Q Ms. Paruta, do you recall a line of questioning  
5 earlier from the Department of Energy regarding  
6 the property tax adjustment related to an  
7 overcharge by the Town of Nashua?

8 A (Paruta) Yes, I do.

9 Q And I know we have a pending record request.  
10 But, just for purposes of clarifying the record  
11 today, is the results of the adjustments that we  
12 discussed earlier related to this overcharge to  
13 hold customers harmless?

14 A (Paruta) That is correct. We held customers  
15 harmless in the RRA mechanism in 2020 from the  
16 overbilling. And we also held customers harmless  
17 in 2021. So, we negated the transaction entirely  
18 in 2020 and entirely in 2021, correct. Customers  
19 were held harmless in both years.

20 MS. RALSTON: Thank you. Nothing  
21 further.

22 CHAIRMAN GOLDNER: Okay. Thank you,  
23 Attorney Ralston.

24 We can release the witnesses. And, on

1           behalf of the Commission, I'd just echo  
2           Commissioner Simpson. Appreciate the excellent  
3           witness testimony today. Thank you very much.  
4           And the witnesses are released. You may -- you  
5           can stay there, if that's more comfortable, or  
6           return to the larger area, or whatever your  
7           preference is.

8                     Okay. And, without objection, we'll  
9           strike ID on Exhibits 1 through 6, and admit them  
10          as full exhibits.

11                    And we'll hold the record open for the  
12          record request. And maybe I'll ask the Company,  
13          if they're comfortable with the earlier  
14          description? Or would you like a summary, a  
15          resummary?

16                    MS. RALSTON: I think I have good  
17          notes, but I'll defer to Ms. Paruta. Would you  
18          feel comfortable with the record request or do  
19          you need a summary?

20                    WITNESS PARUTA: The intensity of the  
21          conversation, I apologize, could we have a read?

22                    MS. RALSTON: Okay.

23                    WITNESS PARUTA: I would appreciate it.

24                    MS. RALSTON: Sure. A summary would be

1 helpful.

2 CHAIRMAN GOLDNER: Okay.

3 WITNESS PARUTA: Thank you. I lost  
4 track of what we're providing and what was  
5 concluded was beneficial on the record.

6 CHAIRMAN GOLDNER: No problem. So,  
7 we'll make it "Exhibit 7". And we'll -- I'll  
8 just kind of pencil in, if we could do it --  
9 we'll review it in a second, but we'll ask for  
10 it -- would a week be enough time? I'll tell you  
11 what, let's make it in a week's time. And then,  
12 if it turns out to be longer than expected, we  
13 can come back and lengthen it, if needed. But  
14 I'll just mark down "6/30" for a due date.

15 MS. RALSTON: Okay. Thank you.

16 *[Exhibit 7 reserved for record request.]*

17 CHAIRMAN GOLDNER: And then, we'll go  
18 to the summary. And I'll actually, Mr. Dexter, I  
19 can try and summarize, although I like your  
20 summary better than my notes. If you're  
21 comfortable summarizing, that would be very  
22 helpful. If not, I can try to run through it.

23 MR. DEXTER: Yes. I'd be happy to,  
24 because the question still exists in my mind.

1           So, the record request, as I understand  
2           it, will now have an (a), (b), and (c). And the  
3           first part, (a), they'll all reference Exhibit 6,  
4           Bates Page 025, and Part (a) of the record  
5           request focuses specifically on Line 236, and it  
6           asks for a detailed breakdown of the credit  
7           adjustment that's made of \$239,222.

8           And this isn't part of the record  
9           request, but my understanding is that that's  
10          going to include a number of entries that true up  
11          estimated property tax bills with actual property  
12          tax bills.

13          And, in addition to that, it's going to  
14          address the \$716,580 adjustment made to the Town  
15          of Nashua.

16          So, what I'm envisioning, what the  
17          Bench, hopefully, is envisioning is a spreadsheet  
18          of some sort, with a bunch of entries that totals  
19          \$239,222. And that is an adjustment that's made  
20          to Column C, which flows into the RRA directly  
21          dollar-for-dollar.

22          So, that's Part (a). Again, most of  
23          that wasn't the record request, that was my  
24          explanation.

1           Part (b), the record request would  
2           focus on Exhibit 6, Bates Page 023, Line 140, for  
3           "Nashua". And it would be to explain the nature  
4           of that \$716,580 adjustment, and why that  
5           adjustment is necessary in Column F, if that same  
6           number appears in the background provided in  
7           response to Part (a) of the record request.

8           Part (c) was going to be to, and I  
9           think I would recommend we keep Part (c), would  
10          be just to verify that the amount of property tax  
11          expense recorded on the Company's books is  
12          \$50,610,359, and to indicate what account that's  
13          held in.

14          And then, Part (d) would be to  
15          reconcile that amount of 50,610,359, with an  
16          amount that's tyable [sic] to the Company's FERC  
17          Form 1, which gets filed with the Commission.

18                 CHAIRMAN GOLDNER: Very good. Is the  
19          Company comfortable with the record request? Any  
20          questions?

21                 WITNESS PARUTA: Yes, sir. We're  
22          comfortable.

23                 CHAIRMAN GOLDNER: Okay. Thank you.  
24          So, that will be "Exhibit 7", and there's an (a),

1 (b), (c) portion.

2 Is 6/30 acceptable to the Company?  
3 June 30th? Or does the Company need more time?

4 MS. RALSTON: Marisa, is a week  
5 acceptable?

6 WITNESS PARUTA: I'd have to take it  
7 back to the experts. But could we go with June  
8 30th, and, if we request an extension, is that  
9 appropriate, Chairman Goldner?

10 CHAIRMAN GOLDNER: Yes. That would be  
11 fine. And if you think you're -- it's stretching  
12 it to be ready by then, it just affects when we  
13 can get the order out. So, it's to everyone's  
14 benefit to move quickly as possible. But, if you  
15 need more time, we can extend it to say the 6th  
16 or 7th of July. The July 4th is in there, so --

17 MS. RALSTON: Do you want to extend it,  
18 Marisa, and then file it as soon as we can? So,  
19 we don't have to worry about an extension  
20 request?

21 WITNESS PARUTA: Perfect.

22 MS. RALSTON: Okay.

23 CHAIRMAN GOLDNER: Yes. That will save  
24 everyone some time.

1 MS. RALSTON: Yes.

2 CHAIRMAN GOLDNER: Yes.

3 MS. RALSTON: Okay.

4 CHAIRMAN GOLDNER: So, let's make it  
5 July 7th as the due date. And then, the  
6 Commission would appreciate filing it earlier, if  
7 available.

8 MS. RALSTON: Understood.

9 CHAIRMAN GOLDNER: Thank you. Okay.  
10 Very good.

11 So, I think we can -- are there any  
12 further issues to discuss, before we move to  
13 closing?

14 *[No verbal response.]*

15 CHAIRMAN GOLDNER: No? Seeing none.  
16 We will begin with Attorney Dexter, and the  
17 Department of Energy.

18 MR. DEXTER: Thank you, Commissioners,  
19 for the opportunity to ask a lot of questions  
20 today. And we appreciate the answers given by  
21 the Company.

22 We, at the Department, are generally  
23 supportive of the RRA that's proposed. I should  
24 start with that.

1           In the course of reviewing the  
2 materials, we identified what we thought were  
3 three or four issues, and all of them have  
4 essentially been resolved, with the exception of  
5 the property tax issue.

6           We appreciate the Company's refiling of  
7 the rate case expenses to exclude the interest  
8 charges, as we viewed that as contradictory to  
9 the PUC rules. And we appreciate that the  
10 Company agreed with that and removed those.

11           With respect to the questions I had  
12 about the other interest -- interest on other  
13 over- and under-recoveries, Ms. Paruta's  
14 explanations today made sense to me and to the  
15 Department. And, so, we will not be pursuing any  
16 further change on the basis of that.

17           Primarily, the answer that was most  
18 convincing was the point that all of these  
19 expenses have been incurred in prior years. They  
20 weren't current expenses that might be expected  
21 to be, you know, incurred over the course of  
22 2022. These were all incurred in 2021.

23           With respect to the property tax  
24 adjustment, we agree with Eversource and Ms.

1 Paruta that the Settlement does call for  
2 reconciliation to property tax expense. And  
3 that's what was approved. So, that's what's in  
4 place for the Company. So, it's really not, I  
5 don't think, necessary to debate "which is  
6 better?" Should we be reconciling to a bunch of  
7 bills or to property tax expense. So, we will  
8 support a reconciliation to property tax expense.

9 If, in fact, as Ms. Paruta said, the  
10 \$50,610,359 is the property tax expense, then it  
11 would seem that we would have no problem with the  
12 reconciliation as proposed.

13 That being said, if upon examination of  
14 the adjustments that flowed into the per books  
15 property tax expense indicates an item that  
16 shouldn't be there, potentially, a  
17 double-counting of this Nashua \$716,000, we would  
18 think it would be appropriate, in that instance,  
19 not to reconcile to the property tax expense per  
20 books, because it wouldn't -- it wouldn't make  
21 any sense to ask customers to pay for something  
22 that never should have been on the books in the  
23 first place. And I think that's understood. Any  
24 time you reconcile something to per books, the

1 books have to reflect reality.

2 So, I believe the record request will  
3 clear all that up. If, in fact, it's  
4 demonstrated that this \$50,610,000 number is the  
5 appropriate per books number, we believe then the  
6 adjustment is calculated appropriately. But we  
7 will reserve judgment on that until the record  
8 requests come in.

9 And, as I pointed out earlier, if it  
10 turns out this is something that needs more time  
11 to review, we ran into a situation like that last  
12 year with the RRA. And we were able to work that  
13 out and reconcile it after the order was issued.  
14 It's preferable to do it during the pendency of  
15 this case, and that's what we will shoot for.  
16 But I just throw that out as a potential option.

17 So, with all that said, we are  
18 generally supportive of the RRA, as filed.

19 Thank you.

20 CHAIRMAN GOLDNER: Thank you, Attorney  
21 Dexter. Just quickly, before we move to the  
22 Company.

23 When the Department of Energy sees the  
24 record request, let's say, on July 7th, how much

1 time -- I think the Company is looking for the  
2 rate to begin August 1st. So, I'm just trying to  
3 make sure that we don't issue an order too soon  
4 or too late. Can you give us some thoughts on  
5 how long you would expect the Department of  
6 Energy to need to evaluate that record request?

7 MR. DEXTER: I'm just going to consult  
8 the calendar, which happens to be on my phone.  
9 So, I'm not checking messages or anything.

10 CHAIRMAN GOLDNER: And then, in  
11 parallel, Attorney Ralston, I was just going to  
12 ask, when you -- when the Company needs the  
13 order, in order to implement this by the first of  
14 August?

15 MS. RALSTON: I think I will have to  
16 defer to Ms. Paruta. But I believe it is  
17 sometime in the last week of July, at the latest.  
18 Hopefully, I'm not putting her in a corner.

19 WITNESS PARUTA: I have Mr. Davis on  
20 the call, who is much more intimate with the IT  
21 ask. So, Mr. Davis, would you mind answering  
22 that question? Would that be acceptable?

23 And I don't know if Mr. Davis is --

24 CHAIRMAN GOLDNER: I think the answer

1 is "yes".

2 WITNESS DAVIS: Apologize. It took me  
3 forever to find the button.

4 You know, I think, recognizing these  
5 are price changes, we do have a number of price  
6 changes that we're seeking approval of. So,  
7 timingwise, I'm looking at the calendar, which is  
8 as well on my phone, I think, was the proposal or  
9 the suggestion a week's advance notice for a  
10 final order?

11 CHAIRMAN GOLDNER: Yes, I think what  
12 we're talking about --

13 WITNESS DAVIS: I think that might  
14 synchronize well with the other -- Sorry,  
15 Chairman.

16 CHAIRMAN GOLDNER: Yes. No, that's  
17 okay. No, I'm sorry. So, I think you're asking  
18 for an order by July 25th, a week prior to the  
19 August 1st implementation. Is that what you're  
20 saying, Mr. Davis?

21 WITNESS DAVIS: Correct.

22 CHAIRMAN GOLDNER: You need about a  
23 week to --

24 WITNESS DAVIS: I know -- I thought we

1 had asked for the 15th for one of the rate items,  
2 but I believe that would be sufficient, in synch,  
3 you know, synchronizing with all the other rate  
4 changes, yes.

5 CHAIRMAN GOLDNER: Okay. So -- okay.  
6 So, moving back to the Department of Energy, how  
7 long would you need, Mr. Dexter?

8 MR. DEXTER: Well, I guess it -- I  
9 guess it depends on what it says.

10 CHAIRMAN GOLDNER: What it says.

11 MR. DEXTER: But I would think that  
12 that either -- that, by July 15th, we would  
13 either recommend approval, or recommend that this  
14 issue be investigated. You know, that the rate  
15 may be approved, subject to further review, after  
16 the order comes out.

17 CHAIRMAN GOLDNER: Okay.

18 MR. DEXTER: And I'm pretty sure we can  
19 come to that conclusion by July 15th.

20 And I would offer to the Company, if  
21 they would, you know, if they want to share  
22 anything with us before the record request comes  
23 out, you know, we're perfectly amenable to do  
24 that, you know, pending commitments in other

1 docket, if they want to have a tech session or  
2 something like that.

3 CHAIRMAN GOLDNER: Okay. I think that  
4 works well. So, the 7th for the record request,  
5 of July, the 15th for a reply from the Department  
6 of Energy, and an order by July 25th, seems to  
7 meet the needs of all parties. So, we'll proceed  
8 with that as the plan of record.

9 So, sorry for the interruption. I  
10 normally don't interrupt closings, but I thought  
11 it might be best to do it right then.

12 So, we'll move to a final closing with  
13 the Company, and Attorney Ralston.

14 MS. RALSTON: Thank you. Thank you,  
15 Chairman Goldner and Commissioner Simpson. And  
16 thank you to the Department of Energy for their  
17 participation in the proceeding. As you saw  
18 today, through the technical session and  
19 discovery, they were able to help us identify a  
20 few issues and resolve them ahead of today's  
21 hearing.

22 The Company supports the rate request  
23 adjustment that has been proposed, as updated  
24 most recently on June 16th. And we believe we

1 have demonstrated, through the filings and  
2 testimony this morning, that the proposed rate  
3 adjustment has been calculated accurately and  
4 appropriately to allow approval.

5 I do note we have the record request.  
6 We appreciate Department of Energy's offer to do  
7 some further investigation, if necessary. But it  
8 is our position we will be able to clarify this  
9 through the record request, and hopefully have  
10 everything wrapped up by August 1st.

11 So, thank you to everyone for your time  
12 this morning, and afternoon.

13 CHAIRMAN GOLDNER: Thank you, Attorney  
14 Ralston. Thank you, Attorney Dexter.

15 So, I'll thank everyone, and, in  
16 particular, the excellent witnesses today. So,  
17 thank you, everyone, for taking the time this  
18 morning and this afternoon to meet.

19 And we'll take the matter under  
20 advisement, and issue an order by July 25th. We  
21 are adjourned. Thank you.

22 ***(Whereupon the hearing was adjourned at***  
23 ***2:04 p.m.)***