STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

June 24, 2025 -- 9:00 a.m.
21 South Fruit Street
Suite 10
Concord, NH

RE: **DE 25-017**
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, D/B/a EVERSOURCE ENERGY: 2025 Energy Service Solicitations

PRESENT: Chairman Daniel C. Goldner, *Presiding*
Commissioner Mark W. Dell'Orfano
Commissioner Pradip K. Chattopadhyay

APPEARANCES: **Reptg. New Hampshire Dept. of Energy**
Molly Lynch, Esq.

Reptg. Eversource Energy
David K. Wiesner, Esq.

Reptg. Office of the Consumer Advocate
Donald Kreis, Esq.

Reptg. Community Power Coalition of New Hampshire
Deana Dennis, Esq.

Also Present

Michael Cronin *(NH Dept. of Energy)*

Jacqueline Trottier *(NH Dept. of Energy)*

Clifton Below *(Community Power Coalition of NH)*

Marc Vatter *(Office of the Consumer Advocate)*

Court Reporter: Nwamaka Dawson

I N D E X

(Proceedings commence at 9:00 a.m.)

CHAIRMAN GOLDNER: Okay. Good morning. I'm Chairman Dan Goldner, here with Commissioner Pradip Chattopadhyay and Mark Dell'Orfano. This is the hearing for the Commission review of the Eversource Energy Service solicitations for the August '25 through January 2026 rate period. This hearing is being held pursuant to the Commission's commencement of adjudicative proceeding order issued on April 16th, 2025. The late intervention of the Community Power Coalition was approved by the Commission in a procedural order issued on May 22nd.

Eversource filed its affidavit of publication on April 17th. Eversource has proposed the witness panel of Parker Littlehale, Luann Lamontagne, Bryant Robinson, and Richard Chin today, and five proposed exhibits, with proposed Exhibits 2 and 4 being confidential. We ask that when confidential material is being discussed today, that it be indicated by the parties for the benefit of the court reporter.

Word about the Commission's solicitation of the Department of Energy's position statement within the April 16th commencement of adjudicative proceeding order by June 2nd. On June 2nd, the DOE filed a short statement stating that the DOE would provide the Commission its position after filing of the Company's rate petition, which was filed on June 20th at today's hearing.

For clarity, the Commission was well aware of the solicitation of the DOE statement of position being held for a date in advance of the rate petition. This was meant as an opportunity, similar to last year, for the DOE to weigh in with its policy viewpoints and to provide the Commission useful information regarding market developments, reconciliation issues, or other matters of concern to the DOE well in advance of today's hearing date.

As the DOE has indicated, it does not wish to comment on its position prior to hearing, the Commission will refrain from requesting such position statements for default energy service petitions in the future. Okay. We'll now take simple appearances, beginning with the Company.

MR. WIESNER: Good morning, Commissioners. David Wiesner, representing Public Service Company of New Hampshire, doing business as Eversource Energy. And I will try hard to get you used to this new microphone.

CHAIRMAN GOLDNER: Doing the same.

Community Power Coalition of New Hampshire?

MS. DENNIS: Good morning. Deana Dennis, representing the Community Power Coalition of New Hampshire.

CHAIRMAN GOLDNER: Thank you.

Okay. The New Hampshire Department of Energy?

MS. LYNCH: Good morning. My name is Molly Lynch, as counsel for the Department of Energy. I am joined at the table with utility analyst Jacqueline Trottier and Michael Cronin. Thank you.

CHAIRMAN GOLDNER: Thank you. And the Office of the Consumer Advocate.

MR. KREIS: Good morning, Mr. Chairman. I'm Donald Kreis, the Consumer Advocate. With me today is our director of economics and finance, Marc Vatter.

CHAIRMAN GOLDNER: Thank you. Are there any other preliminary matters requiring our attention today?

MR. WIESNER: Mr. Chairman, I'll just note that in the petition that we filed last week, I was a little overzealous in listing the attachments that are confidential for this hearing. We no longer consider capacity pricing to be confidential. So LJL-4 and LJL-5 do not contain confidential information, notwithstanding the reference to them in the filed petition.

CHAIRMAN GOLDNER: Okay. Thank you, Attorney Wiesner. Anything else today?

All right. Okay. Are there any other persons or entities wishing to be acknowledged here today? Okay. Hearing none, I'll now invite the Eversource witnesses to the stand to be sworn in.

And I'll now swear in the witnesses. Please raise your right hand.

(WHEREUPON, PARKER LITTLEHALE, LUANN LAMONTAGNE, BRYANT ROBINSON, RICHARD CHIN were duly sworn and cautioned by the Chairman.)

CHAIRMAN GOLDNER: All right. Everyone said I do? Okay. Thank you. Okay. Four I dos.

The witnesses are available for direct.

DIRECT EXAMINATION

BY MR. WIESNER:

Q Thank you, Mr. Chairman. I'll begin with Mr. Littlehale and ask if you could please state your name and title of your role at Eversource.

A (Littlehale) Good morning. My name is Parker Littlehale, and I am a manager of wholesale power supply in the electric supply department of Eversource Energy.

Q And what are your responsibilities in that position?

A (Littlehale) I oversee the process required to fulfill the power supply requirement obligations of PSNH, including overseeing solicitations for the competitive procurement of power for energy service and supervising the fulfillment of related renewable portfolio standard obligations.

Q And have you testified previously before the

Commission?

A (Littlehale) Yes, I have testified in prior energy service rate adjustment dockets.

Q Did you file testimony with corresponding attachments as part of the filing on June 19th, which have been marked as Exhibits 1 and 2?

A (Littlehale) Yes, I did.

Q And was that testimony and supporting materials prepared by you or at your direction?

A (Littlehale) Yes.

Q Do you have any changes or updates to make at this time?

A (Littlehale) No, I do not.

Q And do you adopt your testimony today as it was written and filed?

A (Littlehale) Yes, I do.

Q Thank you.

Turning to Ms. Lamontagne, would you please state your name and title of your role at Eversource?

A (Lamontagne) My name is Luann Lamontagne, and I'm a senior analyst in the electric supply department of Eversource Energy.

Q And what are your responsibilities in that position?

A (Lamontagne) I perform the activities required to fulfill the power supply requirement obligations of PSNH, including conducting solicitations for the competitive procurement of power for energy service and fulfilling renewable portfolio standard obligations. I am -- I am also responsible for ongoing activities associated with independent power producers and purchase power agreements.

Q And have you testified previously before this commission?

A (Lamontagne) Yes, I have testified in prior energy service rate adjustment dockets.

Q And did you file testimony with corresponding attachments as part of the June 19th filing, which have been marked as Exhibits 1 and 2?

A (Lamontagne) Yes.

Q Were the testimony and supporting materials prepared by you or at your direction?

A (Lamontagne) Yes.

Q Do you have any changes or updates to make at this time?

A (Lamontagne) No, I do not.

Q Do you adopt your testimony today as it was written and filed?

A (Lamontagne) Yes, I do.

Q Thank you.

Now turning to Mr. Robinson, would you please state your name and title of your role with Eversource?

A (Robinson) My name is Bryant Robinson. I'm team leader of revenue requirements distribution for Eversource Energy Service Company covering New Hampshire.

Q And what are your responsibilities in that position?

A (Robinson) I am responsible for the coordination and implementation of revenue requirement calculations and regulatory filings, such as the energy service filing for the company.

Q Have you ever testified before this commission?

A (Robinson) Yes. I have previously testified in several different dockets.

Q Did you file testimony and supporting attachments as part of the June 19th filing, marked for identification as Exhibits 3 and 4?

A (Robinson) Yes, I did.

Q Were the testimony and supporting materials prepared by you or at your direction?

A (Robinson) Yes.

Q Do you have any changes or updates to make at this time?

A (Robinson) Yes. One change. On Bates page 13 of both Exhibit 3 and Exhibit 4, at line 17, there's a reference to a projected under-recovery of 7.1 million, but that should be corrected to read a projected under-recovery of 2.4 million, per Bates page 28, line 13, attachment BKR/RDC-2, page 1.

Q And with that one correction, do you adopt your testimony today as it was written and filed?

A Yes, I do.

Q Finally, turning to Mr. Chin, would you please state your name and your title with Eversource?

A (Chin) My name is Richard Chin and I am manager of rates in New Hampshire and Massachusetts for Eversource.

Q And what are your responsibilities in that position with the Company?

A (Chin) As manager of rates, I'm responsible for activities related to rate design, cost of service, and rates administration for the Company.

Q Have you ever testified before this commission?

A (Chin) I have not previously testified at a hearing before the commission, but I have testified numerous times before the Massachusetts Department of Public Utilities. And I recently submitted testimony and attachments in the Company's RRA filing in docket number DE 25-016.

Q And did you file testimony with supporting attachments as part of the June 19th filing, marked as Exhibits 3 and 4?

A (Chin) Yes, I did.

Q Were the testimony and supporting materials prepared by you or at your direction?

A (Chin) Yes.

Q Do you have any changes or updates to your portion of that testimony?

A (Chin) No, I do not have any changes.

Q And do you adopt your testimony today as it was written and filed?

A (Chin) Yes, I do.

Q And now, by way of brief introduction to the issues that we'll address this morning, I'll turn back to Mr. Littlehale and ask if you can provide a brief summary of why you consider the recent RFP process and the results for the proposed new energy service rates to be satisfactory?

A (Littlehale) On May 8th, 2025, we released an RFP to purchase fifty percent of the small customer groups energy service load for August 2025 through July 2026 -- sorry. January 2026. There were four tranches of 12 and a half percent each, which was approximately 160,000 megawatt hours for each tranche allocated to suppliers for the small customer group. Offers were received on June 17, 2025, at 10:00 a.m., and we utilized our three-pronged approach to analyze the bids received.

The results for all tranches for the small customers satisfied the three main criteria. There were several bidders and a good number of bids. The bids were clustered closely together. And finally, the bids were aligned with our internal supplier proxy price used for solicitations. Given that, we reviewed and obtained approval from senior management, reconfirmed the winning bidders were all in good standing from a credit perspective, and proceeded to execute the master power supply agreement transaction confirmations with the selected bidders.

Q Was the RFP process you just described and the bid selection consistent with prior solicitations by the Company for energy service and with the various Commission orders governing the energy service procurement process?

A (Littlehale) Yes. The solicitation was conducted consistent with past practices and with Commission requirements under the settlement agreements and docket number DE 17-113. That was approved by order number 26-092, except that fifty percent of the small customer group load and one hundred percent of the large customer group load will be self-supplied through direct wholesale market participation, consistent with the Commission's orders issued in this docket.

Q And Mr. Littlehale, would you briefly describe how the Company prepared the proxy prices to be used for the energy service rate calculations with respect to the self-supplied small customer group load tranche and the self-supplied large customer load?

A (Littlehale) Yes. Consistent with the Commission's directive in its June 2024 and subsequent orders, we have developed self-supply proxy prices based on the average of the four-year rolling weighted average of ISO New England market prices in New Hampshire load zone, and OTC future power prices for the upcoming six-month energy service period for ISO New England.

With the continuation of the monthly pricing approach for the large customer group, using market proxy prices determined using the same methodology, the proxy prices are calculated on an hourly load weighted basis. For the small customer group, the six-monthly proxy prices were then averaged on a load-weighted basis to calculate a single proxy price for use in developing the flat price component for the small customer group energy service rate for the six-month period. For the large customer group, the six-month proxy prices were then used to develop the monthly price components for the large customer group energy service rate for each month during the six-month rate period.

Q And now I'll ask both Mr. Littlehale and Ms. Lamontagne, is it your position that the rates proposed for the period August 2025 through January 2026, as described in

Exhibit 1, are just and reasonable and consistent with the public interest?

A (Lamontagne) Yes.

A (Littlehale) Yes.

Q Thank you. My next couple of questions are for Mr. Robinson. Mr. Robinson, how did the company develop its rate proposals in this docket?

A (Robinson) Consistent with the settlement and docket number DE 17-113, we took the RFP results and proxy prices for the self-supplied load tranches, and added administrative and general expense and RFPS costs to get the retail rate. Also included in the proposed energy service rates are the reconciliations of over- and under-recoveries developed for the August 2025 update.

Q And could you please summarize the proposed rate changes for energy service as of August 1st?

A (Robinson) With the small customer group, the weighted average fixed energy service rate for the six-month period of August 2025 to January 2026 would be 11.196 cents per kilowatt hour. That compares to the current small customer fixed rate of 8.929 cents per kilowatt hour, and represents an increase due primarily to wholesale power market conditions. For the large customer group, the monthly prices range from 5.832 cents per kWh to 13.761 cents per kWh. The calculations of these rates -- of those rates are shown in attachment BKR/RDC-1 on page 2.

Q And does the Company's filing include a proposed reallocation of the approximately $6.5 million large customer group under-recovery deferred balance, pursuant to the Commission's June 2024 order in the stranded cost recovery docket DE 24-112?

A (Robinson) No. Consistent with the Commission's directives in the May 13th order in the SCRC docket, the Company plans to submit a filing later that proposes a reallocation of the deferred approximately $6.5 million energy service large customer group reconciliation balance, as contemplated by its joint rebuttal testimony in the SCRC docket. This filing does not include the proposed reallocation for effect on August 1st, 2025.

In view of the Commission's expressed intention to schedule further adjudication regarding the deferred balance reallocation beginning in July 2025, the Company anticipates filing its reallocation proposal once the next phase of the proceeding has commenced.

Q Thank you for that clarification.

Now, Mr. Chin, are there other rate changes that will affect this analysis?

A (Chin) There are rate changes for PSNH also set to take effect on August 1st, such as the RRA and changes associated with the rate case in DE 24-070. But the impacts of those rate changes are not entirely known at this time. The proposed RRA was included in the bill impact analysis in Exhibit BKR/RDC-4, and represents a 0.3 percent total bill impact for 600 kilowatt hour customer.

Q And could you please explain briefly the customer rate and bill impacts that are depicted in attachment BKR/RDC-4?

A (Chin) Page 1 provides some comparisons of residential rates proposed for effect August 1st, 2025, to current rates effective April 1st, 2025. The impact to a 600 kilowatt hour customer of the proposed default service rate would be an increase of 9.9 percent to the customer bill. Inclusion of the proposed RRA would be an increase of 10.2 percent. Page 2 provides some comparisons of residential rates proposed for effect August 1st, 2025, to rates effective one year ago, August 1st, 2024.

The impact to a 600 kilowatt hour customer of the proposed default service rate would be an increase of 3.2 percent to the customer bill. Including all components of the delivery service, it would be an increase of 3.3 percent. Page 3 provides the percentage change in revenue for each rate class by rate component and in total.

Q And finally, I'll ask both Mr. Robinson and Mr. Chin if it's the Company's position that's the solicitation for power supply for energy service was open and fair, and that the resulting energy service rates are just and reasonable.

A (Chin) Yes.

MR. WIESNER: Thank you. That's all I have for direct examination, Mr. Chair.

CHAIRMAN GOLDNER: Thank you. Pardon me. Thank you.

We'll move to CPCNH for cross.

MS. DENNIS: We have no cross-examination.

CHAIRMAN GOLDNER: Thank you. We'll turn now to the New Hampshire Department of Energy for cross.

CROSS-EXAMINATION

BY MS. LYNCH:

Q Thank you. Mr. Littlehale -- sorry. You described the methodology for determining the proxy price. More generally, can you explain any changes in the procurement process in this docket compared to prior years?

A (Littlehale) So the main difference this cycle is that the self-supply percentage is at fifty percent versus the current self-supply percentage at thirty percent.

Q Thank you. And as we discussed yesterday in our tech session, does the Company anticipate recent world events, mainly the Israel-Iran conflict, impacting the default service prices and in particular the proxy price for the upcoming season?

A (Littlehale) So when we were putting together our proxy prices in preparation of the solicitation, we were running some initial numbers prior to the outbreak of the Israeli-Iran conflict, and primarily focused on -- on peak power prices. They seemed to jump about five percent over the weekend that the conflict, you know, took -- took a significant step. So you know, that was a -- that five percent essentially was embedded in the power forward prices that impact both the supplier proxy and the self-supply proxy, and presumably the -- the bids received from suppliers that are also relying on -- on forward prices.

What is -- is unclear to us is did the -- the wholesale suppliers include any additional risk premium above and beyond that -- that roughly five percent that we saw in the -- on the on peak forwards? That's difficult for us to -- to -- to nail down. But there did seem to be a -- a jump up over the -- over that weekend prior to the solicitation.

Q And that -- if you don't know the answer to this, or if you didn't do that, that's fine. I was just wondering if you reran that -- the proxy prices since we spoke yesterday, since there was talks of possibly a cease fire.

A (Littlehale) We have not rerun the proxy since --

since yesterday afternoon.

Q Okay. Thank you. And how is the Company going forward? What is the Company planning to do to kind of monitor the situation and monitor the proxy prices?

A (Littlehale) Well, at this point, you know, the -- the rates that we receive from the suppliers, you know, have been signed and subject to -- to approval from the Commission. They will be the -- the -- the rates fixed for the -- for the roughly fifteen -- fifty percent from the wholesale suppliers. The same concept on the self-supply proxy, which represents the -- the other fifty percent of -- of the wholesale rate. Assuming those are approved by the Commission, that will represent the rate for the upcoming six-month rate period.

And then my team will -- will track those actual costs billed from ISO New England that we've shared and -- and monitor those costs. And at the conclusion of the six-month rate period, we will be able to determine if we've under collected versus the self-supply proxy price or if we've over collected versus the self-supply proxy price.

And you know, this recent world events is -- is another good indicator of, you know, various factors that come into play when -- when -- when serving energy service. And historically that risk has been absorbed by the wholesale suppliers. And under the -- the self-supply energy service procurement methodology, that risk is -- is not absorbed by the wholesale suppliers for the portion that we self-supply, and ultimately would need to be reconciled at a -- in a subsequent rate period.

Q Do you anticipate that there may likely be an under collection?

A (Littlehale) It's too early to say. Obviously, you know, the rates don't take effect until August 1st. So we don't know what the wholesale cost will be until the conclusion. We have some exhibits in the -- in the testimony that show our -- our self-supply costs for the August 24th through January 25 rate period, and also cost-to-date for the February through July rate period as well.

Q And for those prior periods, if you don't look at the RPS component, was there an under-collection by the Company for the -- in regards to the proxy prices, the self-supply?

A (Littlehale) There was an under-collection for the August 24th through January 25. We don't know exactly how the February through July 25 will conclude, but data that we've received from ISO to date is trending to an under collection.

Q Thank you. Okay. All right.

All right. Mr. Robinson, I believe these questions are for you. On direct, you describe the rate, and I'm sorry, I may have missed it, but going to Exhibit 1, I was looking at

Bates 37. You described the average rate for the small customers and how it compared to the prior period. How does the proposed rate now compare to the prior August 2024 to January 2025 period?

A (Robinson) If I -- excuse me, if I could point you to Exhibit 5, if you have that available.

Q Uh-huh. Yes. Thank you. I don't know if this is -- I was looking at Exhibit 1, Bates 37. But tell me. I can go either way.

A (Robinson) No. Understood. Ms. Lynch, is that the reason why I point you to Exhibit 5 is that's a rate comparison exhibit that looks at basically the proposed rates for August 1st, 2025, to the current rates in effect -- that went into effect on February 1st, 2025. And we also look at -- compare the proposed rates for August 1, 2025, to the rates that were approved for August 1st, 2024.

And by looking at Exhibit 5, because that's what I'm looking at, to answer your question, is that the average rate of 11.196 cents per kilowatt hour, as proposed for effect August 1st, 2025, as compared to the approved rate that went into effect August 1st of 2024 of 10.403 cents per kilowatt hour. That difference is a seven point -- it's a 7.6 -- 7.6 percent increase.

Q Thank you. And kind of in comparison or contrast, if we look at the -- how does the proposed average rate for the large customer group compare to the prior August 2024 to January 31st, 2025, period?

A (Robinson) Well, it's -- it's not an average rate. It's by month.

Q Uh-huh.

A (Robinson) It's a change by month. And again, looking at Exhibit 5 is filed, when you -- you can see that change between the proposed rates for August 1st 2025, versus the approved rates for the similar period August 1st, 2024. In Exhibit 5, if you look at lines 26 through 40, that shows you the change between those two periods.

Q Thank you. And is it in a increase or a decrease in the rate?

A (Robinson) It -- for the month of August, it's a decrease. Month of September, it's a decrease. Actually, it's a -- it's a decrease.

Q Thank you.

A (Robinson) I'm sorry. I was going month by month, but if I looked at the signs, it's a -- it's a -- it's a decrease for all six months.

Q Thank you. And could someone on the panel please explain what the Day Ahead Ancillary Service Initiative is, also known as DAASI?

A (Littlehale) Yes. The Day Ahead Ancillary Service Initiative is a -- a replacement for the forward reserve market for ancillary services that went into effect March 1st of 2025. So these ancillary services under DAASI are things like the 10 minute spinning reserve, the 10 minute nonspinning reserve, the 30 minute operating reserve. So these are wholesale products that are -- are necessary to ensure reliability of the region's wholesale power grid. And typically these products were procured under a forward basis. But the ISO, through a stakeholder process, transitioned that to a day ahead process. And that new program went into effect on -- again on March 1st, 2025.

Q Thank you. And I'm at Exhibit 1, Bates 26 and 28. Was the company able to quantify the costs associated with this?

A (Littlehale) So we've estimated that, and what we're trying to do is -- we only have a couple months' worth of data for DAASI. We have March, we have April, and -- and to some degree May. So we have in Bates page 26 and Bates page 28, these are additional details that we have provided -- providing the backup around the other wholesale load cost component line item from -- from our self-supply proxy calculation. And what we've used here is August '24 through April '25 costs for ancillary services, broadly speaking. And we have for the majority of these wholesale load products, we have data going back to August '24.

For DAASI, we don't have data going back to August '24 because the program didn't exist. So if we simply averaged August '24 through April '25, then we would have only been picking up March and April DAASI costs. So we would have -- in our opinion, we would have been underestimating the DAASI costs. So we included an adder of -- of $3.06 per megawatt hour, which reflects what we have been billed for our self-supply costs attributable -- attributable to DAASI over the past couple of months. And we essentially included that in the -- in the history of the other wholesale load cost elements. So we were trying to provide an apples to apples comparison and -- and -- and include a full six months' worth of DAASI costs, even though we only had two months' worth of DAASI historical data to work from.

Q Thank you. And can you see that approximately $3 on line 6 of I believe it was Bates 26 and 28?

A (Littlehale) Yeah, I -- it's labeled E on -- on my Exhibit.

Q Oh, yes.

A (Littlehale) D-A-A-S, yeah.

Q Okay. And so what is line D show?

A (Littlehale) Line D is the other ancillary service products that, because DAASI doesn't -- didn't exist until March of '25, August '24 through February '25 would have included the forward reserve market product. Right? And then you can see -- see how that line D jumps up from $1.94 in February '25 to $5.20 in March of '25. Do you see that increase?

Q Yes.

A (Littlehale) We understand that increase can be attributable to DAASI. So the -- the -- what we're providing here is ISO New England data. So ISO New England data picks up DAASI starting in March of '25 and April of '25, but doesn't include DAASI costs August '24 through February '25. So we've included an estimate, line E, of August '24 through February '25. So when we average that time period together, we're picking up six months' worth of DAASI costs, even though we don't have six months' worth of DAASI historical data to work from.

Q Thank you. That's very helpful. And then I see for March and April, on line E, there is nothing because those costs are being captured in the line above.

A (Littlehale) That's the idea. We didn't want to double count them.

Q No, that's helpful. Thank you. Ms. Lamontagne, I believe these questions are for you, in regards to new community aggregation programs coming on board and migration. Are any -- are you aware of any cities or towns transitioning to community aggregation in the upcoming period?

A (Lamontagne) Yes. There are -- yes, there are approximately 11 that we've been notified recently that will be moving on to a program.

Q And what towns or cities are those?

A (Lamontagne) Allenstown. Candia. Farmington. Litchfield. Deerfield. Windham. Pittsfield. Pelham. Brentwood. Greenfield. And Dunbarton.

Q Thank you. Do you know when they'll be transitioning?

A (Lamontagne) No, we do not at this time.

Q Okay. Thank you. And do you know of any other towns or cities that will be migrating during this period?

A (Lamontagne) There are four towns that are set and ready to start enrolling once they say go. I do not know when that'll be. So that could be pending this procurement period. I don't know.

Q Thank you. That's very helpful. And since you do not have a date of when they will transition, I'm assuming, but please correct me if I'm mistaken, these towns or cities are included in the Company's proxy calculations and forecasts. Correct?

A (Lamontagne) Yes. They're included.

Q All right. Thank you. Okay. So final kind of topic I'd like to touch upon is the lead lag study.

So if -- so who? I'm sorry. Who would be responsible? Would that be you, Mr. Robinson? Okay. Awesome. Okay. So am I correct in understanding that in this filing, there is an update to the prior lead lag study that was previously approved in docket DE 24-046?

A (Robinson) That is correct. The lead lag study approved in docket DE 24-046 was based on calendar year 2023. The lead lag study presented in this current docket, DE 25-017, is based on the calendar year 2024.

Q Okay. Thank you. And what is the -- generally what is the purpose of the lead lag study?

A (Robinson) Purpose of the lead lag study is basically just to compensate the Company for the difference between the lag from the time it receives its revenues, to the lead of when we pay our expenses. To whether its wholesale suppliers or whether it's Tyson New England, now that we're in the self-supply situation. Does that -- does that --

Q Yes. Thank you. And in the testimony there, you discuss kind of the three main components of the study. What are those?

A (Robinson) Which -- which page -- page are you looking at?

Q That's -- sorry. That's what I'm doing right now. I am on Exhibit 3, Bates page 18. And it's at line 10. Well, it starts -- yeah.

A (Robinson) Are you referring to the table? Is that -- is that what we're looking at on Bates page 18?

Q Actually strike this question. I apologize. Would you agree that one way to assess the reasonableness of the updated study is to compare it to the earlier study?

A (Robinson) To the study of DE 24-046?

Q Yes.

A (Robinson) Yes. They were prepared in the same manner. So it would be fair to compare the two.

Q Uh-huh. Thank you. And if we go to Exhibit 3, Bates page 22, the table. What does that show?

A (Robinson) Bates page 22 just basically summarizes the net lag days. And by net lag days, that means the difference between the revenue lag and the expense lead. And if the expense lead is greater than the revenue lag, you end up with a negative number, much like we do for the small customers on that first line of that table.

Q Thank you. And were you able to compare these results to the results in the prior lead lag study, which I believe was exhibit -- which was in Exhibit 1, 24-046, Bates page 58?

A (Robinson) Yes. Well, you know, what we -- by looking at the current study and if we look at what our revenue lag is, it's 46.33 days. In 24-046, the revenue lag was 46.84 days. So they're comparable. They're very close. The difference for the small customers is in our expense lead days. For the current study we have 46.85 days, lead days, for the small customer group. In DE 24-046, for the small customer group, we had a comparable lead days of 49.03 days.

The difference between the studies regarding the small customer group is that the lead lag study changed a bit in calendar year 2024. August 1st -- effective August 1st, 2024, we began procuring self-supply load. So prior -- in -- in last year's study for the small customer group, the lead days were calculated in one hundred percent wholesale supplier expense. And I should say wholesale supplier -- payments to wholesale suppliers. Whereas for this study, in -- in DE 25-017, we have the wholesale suppliers, which was basically a hundred percent January through July, eighty-seven and a half percent for August through December, twelve and a half percent self-supply.

So in summary, in 25-057, the expense lead days of 46.85 days is less than the lead days from last year's study of 49.03 days. And that was due to the impact of the self-supply load for August through December.

Q Thank you. That's very helpful. Did you see any in regards to the large customer group? Did you notice any changes between this current study and the prior study for that?

A (Robinson) For the -- for the large customer group, calendar year 2024 was one hundred percent wholesale suppliers. So we didn't have the dynamic of having the impact of the new self-supply, because that didn't take effect until February 1st of 2025, for the large customer group. The dynamic was that basically it took longer for customers -- large customers to pay the Company. The revenue lag of 80.45 days in this study versus the revenue lag of 75.64 days in last year's study is taking approximately five days longer for customers to pay their bill. Whereas on the -- as far as the expense lead in last year's study, it was 41.85 days for this large customer group. This year, the -- the lead days are a little longer. It's 48.66 days in this study. But again, for the large customer group, there is no -- there was -- there was no phasing in in calendar year 2024 of any self-supplied load impacts.

Q Thank you. And if we go to Exhibit 3, Bates 37, the Company assumed a 15.2 day lag based on the midpoint of monthly service. Is that consistent with what was done in the prior study in DE 24-046?

A (Robinson) Yes. The -- the -- the 15.2 days is the --

is the -- that would be the meter read lag that -- that's a standard convention. So from year to year that -- that -- that impact does not change.

Q Thank you. And when determining lead days for purchase powers, did you base the calculation on actual payment days, days contract terms, or a combination of both?

A (Robinson) Lead lag study takes the service period, determines what the service period is, then takes the midpoint of that service period, and we take the difference of the payment date versus the midpoint of that service period.

Q And the service period, is that based on contract?

A (Robinson) That would be -- that would be month -- in the case of wholesale suppliers, that would be monthly.

MS. LYNCH: Thank you. Yes. One moment, please. No further questions. Thank you.

CHAIRMAN GOLDNER: Okay. Now we'll turn now to the Office of the Consumer Advocate.

MR. KREIS: Thank you, Mr. Chairman. Just a very few questions, I think, for my friend, Mr. Littlehale.

CROSS-EXAMINATION

BY MR. KREIS:

Q Mr. Littlehale, I'm looking at Bates page 23 of Exhibit 1, and I was listening to your direct testimony, and you mentioned that the bids that you received satisfied the

Company's criteria for evaluating the bids. And one of the things that you said, if I'm remembering correctly, is that there were several bidders. That's one of the, as you said, one of the criteria you used for determining whether there was a successful auction. How many is several? In other words, at what point would you decide there were no longer several bidders?

A (Littlehale) Yeah. I think the line I would draw would, you know, if there's only one or two, that would be concerning. You know, the number that we -- we received -- you always want more bidders. More bidders equals more competition. One observation that I'll -- that I'll share is there's been a -- a recent merger announcement between Calpine and Constellation. Calpine was one of our core bidders. And it's my understanding that while that merger is -- is not yet complete, Calpine has not shown up in recent solicitations, which includes not only New Hampshire but the other two states that we run default service procurements for. So from my perspective, additional bidders would be welcome. But given the bids that we received, we were looking for -- for four tranches. You know, we had more than two times that number that we were looking for. So given this current state of -- of supplier participation, we felt what we saw last Tuesday met that objective.

Q You said something I didn't quite understand. And it was the way you characterized the number of bidders. You said you had four tranches, and there were something, something, something number of bidders.

A (Littlehale) It -- it was -- I -- what I was trying to capture is that we got more than double the bids that we needed to fill those four tranches.

Q But with respect to the actual number of bidders, and with respect to Bates page 23 of Exhibit 1, from the public's perspective, they see two bidders there. What would give the public the confidence that this bidding process was robust?

A (Littlehale) Well, we come back to what we characterize as -- as our -- when we do the evaluation of the bids. Right? We had multiple bidders. We had more bids than, you know -- we had more bids received than the number of tranches that we were looking for. So we were able to reject, you know, more tranches than we needed to fill. Obviously the comparison of -- of -- of -- especially amongst the four winning bidders, the -- the gap between the lowest cost bid and the fourth lowest cost bid, or the last accepted tranche, was quite small. And -- and finally, the comparison against our -- our -- our own internal proxy price, the bids that we received were -- were less than that. So that is -- is our view. And -- and that's what I would convey to the public on -- on the robustness of the solicitation.

Q Okay. I'm not trying to be argumentative, but you just referred to four winning bidders. I only see two winning bidders, Constellation Energy Generation LLC and NextEra Energy Marketing LLC.

A (Littlehale) Excuse me, four winning bids as opposed to bidders.

Q Another criteria that you mentioned was -- well, you said you were happy that the bids were clustered. Would you, with respect to this clustering idea, wouldn't you expect to see a kind of a random distribution of bids?

A (Littlehale) Can you specify when you say "a random distribution"? What -- what do you mean by that?

Q Well, I mean, for example, the public version of the document that has been marked for identification as Exhibit 1 has, in ranked order, two bidders and the two bidders alternate. That's not a random pattern, and I don't do this for a living. I would expect the bids to be sort of randomly arrayed in addition to being clustered. It's almost like when they're not, it's almost like there's a pattern. It's weird. Yeah, or maybe I'm -- I'm just a dumb lawyer. Maybe I'm seeing a pattern where there isn't really one?

A (Littlehale) Well, from -- from our perspective, the only thing that changes from the various bids submitted in the solicitation is the -- is the supplier risk premium that the suppliers include, right? The forecasted energy doesn't change. The forecasted capacity doesn't change. The forecast of the other wholesale load cost components doesn't necessarily change. So the one delta or -- or line item that changes is what the suppliers perceive. Or -- or another way to say it is what the suppliers are able to charge for taking on the risk of serving each of these tranches.

So as more risk is -- is included in the bid from suppliers, therefore the cost will increase. So the way that I think about it is the -- the, you know, Constellation as the, you know, two -- winning two tranches included a certain risk premium in -- in -- in their bids. Same with NextEra. And we received additional bids from those specific suppliers. But they were not selected because those suppliers would have charged customers more to serve a third or a fourth tranche.

Q Is there any reason for the public to be worried about the fact that the two winning bidders, and therefore winning bids, are from the two companies that have -- that are the largest players in the region's wholesale market?

A (Littlehale) Not that I would able to convey.

Q I -- that's a puzzling answer. I'm not sure what you mean. Not that you -- I mean, what's something that you wouldn't be able to convey?

A (Littlehale) Well, I'm -- I'm not sure what the risk that you see from two large suppliers accepting the responsibility of serving load in New Hampshire. So these are the folks who -- who -- who own the power plants. These are the folks that, you know, have the business of -- of -- of being load serving entities. You know, we're -- as long as -- as the supplier will, you know, execute a master power sales agreement with us and post necessary security, you know, the solicitation is open to -- to all parties.

Our job is to, you know, evaluate the bids. And as long as those, you know, credit and legal requirements are met, our job is to identify the lowest cost bids that we receive. And that's what we've done here.

Q So in other words, there is nothing to worry about in the fact that the competition for the right to serve whatever part of the Company's default energy service load is being put out to bid, is come to be dominated by these two large players in the wholesale market.

A (Littlehale) Those are your words, Attorney Kreis. I -- from our perspective, we are -- we are anxious to -- to get additional bidders to participate, but we -- it's not up to us, as PSNH, who -- who bids into our solicitations. We open it to -- to all parties and the -- the -- the suppliers themselves make the decision to bid or not bid. My team and I are -- are -- are actively, you know, working with new potential suppliers across the three states that we operate in. So if there are suppliers out there that are looking to participate, please pass along our contact information.

MR. KREIS: I'll be sure to do that. Thank you, Mr. Littlehale. I really appreciate your thoughtful answers to my questions. Those are all the questions I have.

CHAIRMAN GOLDNER: Thank you. We'll turn now to commissioner questions beginning with Commissioner Dell'Orfano.

QUESTIONS BY COMMISSIONER DELL'ORFANO:

Q Good morning, Panel. I just have one question, following up on Attorney Kreis's questions. Respectively, and perhaps you don't know this, so please don't speculate if you don't know it, just tell me you don't know it. Constellation and NextEra, respectively, what percentage of the market do they each service? Any clue?

A (Littlehale) I don't know that answer. I mean, we, my team and I, we do these solicitations for New Hampshire, Massachusetts, and Connecticut, and they participate in all three states.

COMMISSIONER DELL'ORFANO: Okay. Thank you very much. I have no further questions for these witnesses, Mr. Chair.

CHAIRMAN GOLDNER: Thank you. Thank you.

We'll turn now to Commissioner Chattopadhyay.

QUESTIONS BY COMMISSIONER CHATTOPADHYAY:

Q Let's go to page 3 of Exhibit 1. And in lines 2 through 5, there's the discussion about community power aggregation. Once you're there, let me know.

A (Lamontagne) Yes.

Q Okay. With the changes that were discussed today, meaning additional towns will be -- are expected to go to community power, including the ones that are imminent or going to happen soon, as well as the ones that are -- we're still not sure when, but there's enough of a process in place that you can sort of estimate what might happen. So I would like to know what percentage of the residential customers will stay with PSNH after all of that plays out. Do you have a sense?

A (Lamontagne) No.

Q You don't?

A (Lamontagne) Not -- not for those specific ones, the 11 towns that could potentially be going. The -- the forecast as it is now, there's been historical migration data that is built into the curve of the forecast -- forecast. And we're -- we're utilizing that. So for those 11 towns that could potentially migrate in the up and coming procurement period, their migration is not specifically built into our forecast.

Q Okay.

A (Lamontagne) Because we don't know when it could start. And again, it's by a meter read. So there is a slight lag in time, we are thinking that the migration curve that's in the historical data now will cover that migration when it actually takes place.

Q Okay. So the number that you provide here, it's fifty-five percent of residential customers? And you say it's currently provided by -- to approximately fifty-five percent of residential customers, correct?

A (Lamontagne) Correct.

Q And so the number will remain same or it will change, right?

A (Lamontagne) Yes.

Q Okay. That's what I'm trying to get a sense of.

A (Lamontagne) I think that --

Q And even if it --

A (Lamontagne) -- remained close to what it's listed in the testimony.

Q -- okay. But you -- I'm struggling, because it says, "currently provided to approximately fifty-five percent of residential customers". If some of them are going to go away to Community Power later, this percentage would be smaller.

A (Lamontagne) True. But we're actually seeing migration off of the aggregation.

Q Okay. So you cannot estimate.

A (Lamontagne) They're coming back to default service, but they could potentially be.

Q Okay. Let's go to Bates page 28 of the same exhibit. Just a moment. So there was some discussion about DAAS. I'm a Littlehale confused by how this is being represented here, so I want to get a better sense of it. Okay? Line D says, "ancillary markets includes DAAS". The next one says, "DAAS estimate for August '24 through February '25". So you have numbers that appear for the different months in row D, as well as row E. I'm trying to get a sense of, what do you mean by it includes DAAS when you have DA -- sorry -- DAAS represented separately.

A (Littlehale) Right. Okay. So I apologize if this is confusing, but the -- the reason that we included Bates page 26 for the small customers and Bates page 28 for the large customers, is to provide additional detail and -- and transparency around the other wholesale load cost component line in the self-supply proxy price.

So if you look at Bates page 25, on the other wholesale load cost component is $4.80. And then what we're providing Bates page 26 for is the detail and the data behind that $4.80. So essentially, we -- we pulled -- we're -- we're using 26 as the back-up data for really the -- the $4.80 on -- on Bates page 25. And Bates page 26 is ISO New England data going back from August '24 through April '25.

So when we say in line D includes DAA -- DAAS, we -- we could have clarified that and said includes DAAS for March '25 and April of '25. Because the DASI program, the Day-Ahead Ancillary Service program, was introduced by ISO New England on March 1st, 2025. It didn't exist in -- in -- in that structure prior to March 1st. So the ancillary service line for August '24 through February '25 includes the costs of the former ancillary service program known as the Forward Reserve Market. And then the Forward Reserve Market ended on February 28th, 2025, and DASI began on March 1st, 2025.

So in order to provide that $4.80, we're essentially averaging the cost that we saw from August '24 through April '25. And when -- when we -- when we first looked at this data our concern was that DASI, which has been a substantial line item for costs, we were underestimating the DASI impact. If we -- by just including the March data and the April data, and then extrapolating that out for six months. So what we did by adding line E was really meant to use what we've been billed so far for DASI and estimate what DASI cost would have been back to August '24 if the program had existed. Because what we're doing is averaging those costs, August '24 through April '25, and if we didn't include that $3.06 and only included the March and April data for DASI, we -- our concern is that we were underestimating DASI. So you can see that we omitted line E for March '25 and April '25 because it's embedded in line E of that $5.20 and that $3.70.

Q You meant line D?

A (Littlehale) Line D, yeah, yeah. Yes, line D. That's right. So that's where our process is here. And -- and that's what this data is -- is -- is only meant to provide additional detail and additional transparency around the $4.80 that goes into the self-supply proxy.

Q So let me -- if I may put it differently, and let me know whether I have it sort of right. What you're trying to do is, based on the experience of March and April, you have determined that the new market has brought in a little bit of additional premium within quotes. Okay? And that premium wasn't reflected previously, that's what you're doing.

A (Littlehale) That's what we're trying to estimate. That's right. That's right. And --

Q And -- okay.

Q (Littlehale) -- you know, unlike -- when these ancillary services, which are mostly these wholesale low-cost components, right? There's not a -- we can't use an OTC forecast, for example, for what ancillary services are going to be. You know, capacity we can translate the -- the three year for capacity clearing price, we can translate that from a dollar per kW month to a dollar per megawatt hour. But when it comes to these ancillary services, again, which are necessary to deliver, you know, full-requirements power supply, since there isn't a forecast per se that we can use, the best available information that we have is historical costs. And our concern was, with DASI, is that, you know, stakeholders have seen, you know -- you know, meaningful costs from DASI. And if we averaged August '24 through April '25 all across ancillary services, but we only included March and April of DASI, we were -- we would have been underestimating the DASI impact. And that's all we're trying to do here.

Q Can you tell me whether you know what the ancillary markets' prices have been, basically DASS, in May -- May 2025?

A (Littlehale) I don't believe I have that at my fingertips, but we've included -- if you refer to Bates page -- Bates page 35 --

Q Of Exhibit 1?

A (Littlehale) -- of Exhibit -- yes, same exhibit, Exhibit 1, which is the small customer thirty percent self-supply costs.

Q Let me be there first. Thank you. Yes. Go ahead.

A (Littlehale) So if you look at that column entitled Ancillary Services Costs Procured from ISO New England?

Q Yeah.

A (Littlehale) Notice how, for example, February was 128,000 dollars roughly.

Q Yes.

A (Littlehale) Then DASI goes into effect on March 1st, and it jumps up to -- what is that, 309,000 dollars.

Q Yes.

A (Littlehale) And then same thing for April -- well, slight decline, April 265,000 dollars. So you can -- and -- and even if you go back to Bates page 34, which has the ancillary services for the August '24 through January '25 -- now, again, now we're showing 12.5 percent as opposed to thirty percent -- you can see that the ancillary services line items is lower, you know, more consistent than -- than we saw once DASI went into effect on March 1st. And you know, it's gotten -- it's gotten the attention from a number of -- of -- of stakeholders. I -- I participate in the needful markets committee meetings, monthly meetings, and the -- the internal market monitor presented last week on -- on DASI -- actually two weeks ago, excuse me -- and you know, they are reviewing and monitoring the program, and you know, from their perspective, the DASI clearing prices -- you know, again, I'm summarizing the IMS comments -- but the -- the DASI clearing prices and the credits and costs have trended downward over the first three months of the program. And -- and from -- this aligns with declining loads and gas prices that the region has experienced over the past three months.

So it's a -- it's a new -- it's a new wholesale, you know, service. I think the ISO would acknowledge that it -- it got off to a -- to a bit of a rocky start. And hopefully, we see the declining -- the -- the cost that have declined over the past couple of months continue. But from our perspective, we wanted to acknowledge these costs. And absent, you know, a full year's worth of data to cite from, this was our recommended approach to capture that -- those -- those additional costs.

Q So I do understand the simple fact that that market has been put in place only beginning March 1st. So there will be some turmoil, and you know, eventually the markets will settle. So what I'm hearing from you is -- and you haven't given me a precise number -- but you're sort of talking about how for May, the number would be even smaller than 265,000 most likely. Because you don't know for sure, but the downward trend would tell me that the numbers are going down.

A (Littlehale) I don't have that number in front of me.

Q And the thing is, we are in -- we are end of June. So

I've just -- I'm hoping that you already know the number for May. And I know that the other utilities were able to provide that.

A (Littlehale) Okay.

Q Okay. So that would have been helpful. So in some ways, the three dollars -- I forget what the number was, $3.06 -- maybe slightly overestimated. Which is fine for the --

A (Littlehale) Yeah, I mean that's --

Q -- I understand.

A (Littlehale) -- the trend, it is, right? It's -- it's, you know, forecasting costs energy capacity and ancillary, you know, over a six-month time frame for, you know, roughly, you know, significant amount of load and customers is -- is very challenging to do. And you know, we've been very straightforward that we know our self-supply proxy price is going to be wrong. It's just -- is it -- is it going to be higher than actual cost or is it going to be lower than actual cost? And our goal is to be very -- as transparent as we can, follow the Commission's orders, and then when, you know, we -- we do make a judgment call, we -- such as this, we be very transparent with our approach, and leading to discussions like this.

Q Okay. The last line of questions here. Going back to

Bates page 24, I want to make sure I'm -- I understand.

MS. LYNCH: I apologize. It appears we got a robocall about the building.

COMMISSIONER CHATTOPADHYAY: Okay. Let's continue. I enjoyed the music.

BY COMMISSIONER CHATTOPADHYAY:

Q So I just want to make sure. When you were talking about the proxy price, you were really talking about the self-supply --

A (Littlehale) That's right.

Q -- the proxy price.

A That's right.

Q The proxy price analysis that's here in Bates page 24 is different.

A (Littlehale) This is the supplier -- this is the proxy price that we use to compare to the supplier bids.

Q To get the benchmark with what you compare the bids.

A (Littlehale) Correct.

Q Is it possible to describe this? I may have asked in previous dockets, but I've already forgotten. So just give me a sense of how do you calculate the energy price bid multiplier.

A (Littlehale) So the energy bid multiplier is -- is a library of -- of data that we have and utilize from past solicitations. So when we, you know, think about it -- when -- when we get a bid from a supplier, it's an all-in bid. It's a one-price dollar, you know -- well, six-month prices, dollars per megawatt hour -- for all the different cost components to serve load. So it's the -- in -- in -- it aggregates energy, it aggregates capacity, it aggregates ancillary services, and the supplier risk premium that they charged to accept the responsibility to serve load and accept price and load risk for that duration.

But we don't know exactly how the suppliers allocate those costs amongst their all-in bid, but we can guesstimate it. Because we know on bid day what forward energy prices were. We know on bid day what capacity prices are, and -- and -- and we have a -- and then once we get the answer, if you will, to the -- to the equation, which is the submitted bid, we can deconstruct the bids by pulling out energy, by pulling out capacity, by estimating ancillary services based upon a historical relationship between ancillary service costs and energy costs.

And then the one unknown that we don't know, is what the supplier included in their supplier as their supplier-risk premium. But because we know the answer to the equation, once we get the bids, we can solve for that one unknown variable using a simple algebraic equation, and that becomes the bid multiplier. And then we use that multiplier, you know, from our database of past solicitations to apply against the energy and the capacity components from -- on bid day. And that's what we're using the multiplier to do. And the reason we broke out DASI on the supplier-risk premium -- on the supplier proxy, is because that historical database of multipliers existed before the introduction of DASI. And that's why we've included it here citing to that same three dollar per megawatt hour estimate that we've received.

Q And how far back did you -- do you go to get the energy price rate multiplier --

A (Littlehale) I believe --

Q -- to break the data?

A (Littlehale) -- I believe we have that back to when we began procuring energy service under this methodology. So was it 20 -- 2018, yeah. So that's the database.

Q Your historical database keeps expanding.

A (Littlehale) That's right.

Q I know this is confidential data, but -- and it's not that difficult for even me to look into previous solicitations and know what the multipliers were, but it would be helpful if you provided, for example, for the last six solicitations, what the multiplier was in -- and this is just a suggestion -- in an additional, you know, attachment maybe.

I know that information would be confidential, but it would be helpful for me to see how things are progressing.

A (Littlehale) Yeah. I mean, we can do that. And you know, for what it's worth, we -- we did select this -- the second highest multiplier in our database for the solicitation. We were leaning towards the third highest multiplier in our database. And -- and absent Iran and Israeli conflict, we would have gone with our third. But given the developments of -- of that weekend prior to the solicitation, we -- we made the assumption that the suppliers would have included some additional risk premium to -- to serve load during this volatile period. And you know, we were -- I think our self-supply -- supplier proxy price was slightly higher than the -- than the accepted bids, but well aligned. So it's -- there's art to this and there's science to this, and it's, you know, the multiplier is -- in selecting the multiplier is -- is based upon math, but that's where some judgment comes into play.

Q Yeah. And I am recommending that in the future solicitations that information can be provided, how the -- the multiplier has progressed or changed over maybe, like, six procurements.

COMMISSIONER CHATTOPADHYAY: That's all I have. Thank you.

CHAIRMAN GOLDNER: Okay. I'll just start by -- by thanking the Company for a very clear filing, and Attorney Wiesner, in particular, the cover letter was just right. It had the ask in there and it was very clear, and it's helpful when orienting yourself to a multiple-page filing that everything is clear upfront, so that's appreciated.

QUESTIONS BY CHAIRMAN GOLDNER:

Q Just a few questions. First, can the Company share what the New Hampshire residential rate, how that compares -- the rate that you propose to be effective August 1st, 2025, how does that compare with your other jurisdictions, do you know yet?

A (Littlehale) If you can give me one minute, I will be able to pull that information up.

Q And it might be complicated by RPS or other things. Is that what you think?

A (Littlehale) Yeah, that's right. And the rate periods can be different as well. So for example, the CLMP runs from July 25 to December 25. So there's --

Q There's January, yeah.

A (Littlehale) -- there's one winter month, as opposed to PSNH, which would have two winter months. So it's -- it's just under 10 cents. It's about 9.75 cents in -- in Connecticut.

Q Okay. And -- so that's cheaper, obviously. Than the New Hampshire rate, can you educate us on why that would be? Is it just the January piece or is it something else?

A That's -- that's a big factor. There is also a -- an over-collection in Connecticut that's being returned to customers, approximately one cent. So absent that over-collection, we would be right about -- the two jurisdictions would be right aligned with each other.

Q And is your process in the other states the same as the fifty and one hundred percent pieces here? Meaning, you go to the market, you get bids, and so forth. I'm just trying to understand, number one, what your process is. Number two, how you would have an over, under-recovery using that process.

A (Littlehale) The other states do not do self-supply currently, so it's one hundred percent serve by suppliers.

Q Then how would you have an over, under-recovery of any significance?

A It can just be due to a number of different reasons. But it's -- I don't have the exact details on -- on why, but it's not due to self-supply.

Q And it's not due to the bid process itself because that's fixed.

A That's right. That's right. Massachusetts rates are -- NSTAR West is about 13.5 and NSTAR East is about 14.8.

Q And they're in the same time period?
A (Littlehale) They're on the same time frame.
Q Okay.
A (Littlehale) That -- Massachusetts has a higher RPS impact than New Hampshire does. So -- so that's a -- that's a key driver of some of the differences between Mass and New Hampshire.
Q Do you remember what it is? I think here in your filing, it's nine dollars a megawatt hour. So do you know roughly what it is in --
A (Littlehale) It's about 2.6 cents in Massachusetts.
Q So 26 dollars a megawatt hour?
A (Littlehale) That's correct.
Q So a delta of 15 or so.
A (Littlehale) Yeah.
Q Okay. So that would -- so the New Hampshire prices would still be a bit less than Massachusetts, even correcting for RPS?
A (Littlehale) That's right.
Q Okay. Thank you. Just following up on Commissioner Chattopadhyay's question on Bates page 24, Exhibit 1, without using the actual numbers, but the energy bid multiplier, I think that equates basically to the risk premium that the suppliers are extracting; is that correct? Is there any --

is there another way to think about it?

A (Littlehale) Well, it -- it includes the risk premium, but it also includes the ancillary services except DASI.

Q Right. Okay.

A (Littlehale) Yeah.

Q Okay. Thank you.

A (Littlehale) Anything needed to serve load except energy capacity is another way to think about it.

Q Perfect. Thank you. Okay. And then, just a big picture, just to make sure we have it on the record for the Commission, and eventually the order, can you just break out at a high level the reasons for the increase up to $111.96 a megawatt hour? I think what you'll say -- I don't want to put words in your mouth -- but I think what you're going to say is, it's primarily a function of the market prices increasing. But there's been a lot of discussion in this hearing room about proxy prices and deltas and so forth. So I'm hopeful you can orient us as to where the -- mainly the increase is coming from, but also to quantify the amount due to the delta between the proxy price and the actuals.

A (Littlehale) So maybe you need to take this in pieces a little bit, but yeah. Obviously, the -- the wholesale supplier bids that we accepted this cycle were higher than we accepted last cycle. The -- and -- and that translates into self-supply proxy price, which is -- is higher this cycle than last cycle. So you know, much of it is -- is -- is -- is attributable to, you know, what forward power prices are, which are a subject primarily to, you know, what forward natural gas prices are due to the correlation between gas and power here in New England. So that's much of the driver.

I may need to rely on my -- my colleagues Mr. Robinson and Mr. Chin. The energy-service reconciliation factor last cycle, I believe, for small customers was negative, and -- and now it's slightly positive. So where the current rate we were in -- similar to Connecticut where we were returning dollars to customers last cycle, we now have a under-collection that is, you know, being collected in this cycle. So that moves the rate, you know, instead of being pushed downward from reconciliation, it -- it's slightly now put being pushed upward.

Mr. Robinson, can you state what the new -- or the latest reconciliation factor is for the small customers?

A (Robinson) Yeah. Just bear with me one moment, please.

Q Sure. And while you're looking, similar to Commissioner Chattopadhyay's request, I think the Commission is very interested -- we only care about getting the proxy prices close as possible to the actuals. That's all we're trying to accomplish. And so to the extent that -- to the extent that we can quantify that each cycle, that's very helpful just so that we have clarity on that. And then, obviously, if there's changes or improvements to that over time that would be interesting.

A (Littlehale) Okay. Yeah. And I think we're trying to capture that on -- on Bates page 34 to some degree. Which is the -- the ISO New England cost that we rebilled for self-supply. So we have both the preliminary table up top and the actual table below. And what you can use this table to reflect is -- is two things. Number one, when you look at, did self-supply procurement save customers dollars versus full requirements? In our view, the way to capture that is to compare the projected proxy price of supplier bids of 98.33 versus the 81.84 that turned out to be the self-supply cost for the August '24 through January '25 time period. And if you extrapolate that overload, our estimate is about 2.6 million dollars saved under the self-supply methodology. Now, the 81.84, which was the -- the -- the cost billed for self-supply was about $3.50 higher than our self-supply proxy price for this -- for this duration.

Q So the self F-key, if you just translate that into the number, what did you have for the self-supply proxy price in this time period again?

A (Littlehale) $78.26.

Q Okay.

A And --

Q Thank you.

A (Littlehale) -- and so --

Q It's close, but a little bit low.

A (Littlehale) -- yeah. And again, we've -- we've been very transparent. It's going to be very hard to nail that number directly.

Q Yeah. I understand. Yeah, we understand that completely. I did want to -- so thank you for that. I did want to touch on that a little bit. So the real savings in this time period using 12.5 percent load is 2.6. If that would have been a 50 percent load instead of 12.5, we'd multiply that by four, so the savings would be something over 10 million had we had a 50 percent load there.

The other thing I would say is, that the comparison, I understand what you did and why you did it, you're comparing it to the tranche, the rejected tranche, and that's sensible. Another perspective would be to say, in the other rule of alternatives, you could say that the actual comparison should be to the total fifty percent tranche that you procured for the market as compared to the fifty percent self-supply. That would be the difference between the two methodologies, which for purposes of the Commission would probably be more helpful --

A (Littlehale) Okay.

Q -- though I do understand why you did what you did. But that might be helpful, because that really compares the two methodologies to each other, I think a little bit more clearly.

A (Littlehale) Okay. So just to clarify, so you'd rather see the average of the accepted bids --

Q Yes.

A (Littlehale) -- compared against the -- okay. We can -- we can make that change.

Q Thank you. I think that would be helpful. Okay. Very good. And do you have -- just kind of coming back quickly to the delta between the proxy price and the actuals for the current period, and understanding you still have two months left, so you only have two thirds of the data, but how is that shaping up? How close are you to the -- between the proxy price and the actual so far, realizing that, obviously, February was unusual?

A (Littlehale) Yeah. And I think a little background might be helpful here. So winter '24/'25, so that's December '24, January '25, February '25, so those were the -- the highest winter LMPs that New England has seen since 2014. Natural gas prices were $13.58 in MMBtu. So it's a -- it was one 179 percent increase over winter '23/'24. Day ahead power prices averaged $116.73, which is about 140 percent increase over winter '23/'24. So you know, it's a, you know, it's again, it's the coldest winter that the region saw in 10 years. So our -- our preliminary, you know, under-collection is, for the small customers is -- is about 5.3 million dollars. We've seen an over-collection in April, and we are trending -- and we're trending to an over-collection in May, although we don't have full month of data yet. I would have said we were also trending to an over-collection in June absent, you know, today is going to be the hottest day of a number of years. And yesterday LMPs were very high.

So you know, weather's been a significant driver, both in winter and summer since -- since we started self-supplying. But right now, when I ran these numbers earlier this week, we were tracking to, I believe it was about a 1.1 million-dollar cost to customers under a self-supply for February '25 through January '25. But that's subject to change, because we still have additional data to come in, but where we were to date. Essentially, what that means is that the wholesale costs have come in higher rate period to date than they would have been under the accepted -- the rejected tranches of -- of -- from the suppliers.

Q To date, and then you've got another couple of months of data coming in --

A (Littlehale) That's right.

Q -- that you were --

A (Littlehale) That's right.

Q -- okay. I understand. Thank you. A question I also asked Unitil, but I wanted to get Eversource's perspective as well. It seems like the process from the constellations in NextEras and the folks that are doing the bidding is -- it's a business strategy that enables them to lock in prices higher than the future's price. So they -- there's a future price out there. They have a risk premium, so they're able to -- they bid a price higher than the future's price, and they're able to lock in actually a premium to the future's price, which seems like a very clever business model. And I just wanted to get the Company's perspective of how the Company thinks of that, if they think of it in the same way.

A (Littlehale) The way that I think about it is, that the -- from my perspective, you need to not only look at the -- the forward power prices, but you need to layer on the capacity, you need to layer on ancillary, right? Because a forward power price is not the same thing as full-requirements service. And what we procure under default service is full requirements. So that's the wholesale energy, is -- is the single largest cost component, but it's not the only cost component.

Q And just to clarify quickly, what I call the risk premium is the delta between the full requirements and the total bid. So that's what I'm calling the risk premium just for reference.

A (Littlehale) All right.

Q That delta is their lock-in of profit above the -- I'll call it the future's price. But we're trying to say the same thing, which is, it's the full-requirements piece.

A (Littlehale) Okay. Thanks for that clarification. So I mean, I think it's pretty evident if you look at the -- the data or the -- the analysis. Give me one second. I'll give you the -- the Bates page number. It's Bates page 23. And if you -- if you average -- and again, I don't want to disclose any confidential information here -- but if you average those four selected bidders, those winning prices, you get a number. And if you compare that to our self-supply proxy price, which we've captured directly below that, the difference between the two is, you know, both are full requirements first, full requirements, but the difference between the two is our self-supply proxy price does not include an estimate of supplier risk and the supplier -- the cost to serve load, right?

The -- what suppliers charge customers to accept the responsibility to serve load for the six-month duration. Because suppliers take on price risk, suppliers take on load risk, you know, whether migration or elsewhere. The difference between those two numbers can be essentially what the suppliers are charging to serve load in New Hampshire.

Q Okay. Thank you.

A (Littlehale) And --

Q And -- yeah. And I think if we look back over time, in times of high variability in the market where there's lots of things happening that risk premium increases, and in times of weather where there's perceived low risk, that of course --

A (Littlehale) That's right.

Q -- declines. And so we see some variability over time.

A (Littlehale) That's exactly right. But what we're seeing in this solicitation here, you know, roughly twenty percent, is consistent with what we've seen recently, not only in New Hampshire but in Massachusetts and Connecticut as well.

Q Thank you. Thank you for that. And we also, from a Commission perspective, compare the different utilities in the state to see if the numbers are in the same ballpark. So that's something we try to look at as well. Okay. Thank you. A couple of just tactical questions and then we'll wrap up.

Exhibit 4 -- I won't use confidential information -- but Exhibit 4 -- sorry -- Exhibit 4, page 24 -- and I won't talk about the confidential numbers -- but I'm looking at the loss factors, and I didn't have an opportunity to go back and look, but when I'm looking at the loss factors on Bates page 24 -- let me just double-check to make sure I'm on the right page -- yeah. It seems like those loss factors have been increasing over the last few years. That might be just my memory is wrong, but is that happening, or are those loss factors -- have those loss factors been constant or near constant for the last three or four years? Does anyone know?

A (Robinson) Give me -- give me a second, Chairperson, so I can -- I have the current one, I just don't have the prior ones.

Q Thank you. Thank you.

A (Robinson) And we -- we're just looking at Bates 24 for the smaller customer?

Q Yeah, small customer is fine. My follow-on question, in case it leads anywhere, is that there's a pretty significant difference between large and small customer loss factors. So I was just looking to make sure the Commission understood why there would be a significant difference.

You know, I'll just say while you're looking, this is -- the last factors for Eversource are much larger than the other two utilities in the state, so I was hoping to understand why that would be as well. And of course, I'm asking because it drives up the rate if you have a lower loss factor, so it would be great if the loss factor is zero.

A (Robinson) Commissioner, the -- the small -- for the small customer group, the loss factor in this docket 20 -- DE 250 -- dash 017 versus last year's docket DE 24-046, again, for the small customer group, the loss factors were equivalent.

Q The same. Now, has it been increasing over time last three or four years, so would you say it's --

A (Robinson) Let me -- let me go back and look at '23 and '22 to just see how that -- I don't think they've wavered that much, but let me just double-check that.

Q And if you could also just let us know what the process is for reaching those loss factors. I know that in Unitil's rate case, they are updating the Commission on their loss factors, they recalculated. So I'm just trying to understand the Company's -- Eversource's process for reaching those loss factors, and if we can expect an update on those anytime soon.

A (Robinson) I can -- I can walk you through how those loss factors appear on that line on page 24 that you're talking about.

Q Okay.

A (Robinson) Is that, on the Company's website we have stated loss factors basically by -- by -- by rate class. And using those -- those -- those stated loss factors on the Company's website, we weigh those based on the prior calendar year sales. So you know, we take the small customer group, you know, and we -- and we -- we -- we proportion, you know, the buy-rate class, we proportion the percentage of -- of that -- that rate class's sales over the small -- over the total small customer group, and that's what creates that. In this case, the loss factor for the small customer group that's equivalent for last -- for this filing and last year's filing.

Q And why would it be confidential then? It's marked as confidential in the filing on Bates page 24.

A (Robinson) It -- it is -- it is labeled confidential. To my knowledge, it's always been labeled confidential. I -- I don't know the basis for that confidentiality.

Q And all the utilities treat it as confidential. But given that it's on your website, I'm just trying to figure out --

A (Robinson) Well, the loss factors -- the overall loss factors are on the Company's website.

Q Yeah. (Indiscernible).

A (Robinson) This is calculated based by rate class --

Q Right.

A (Robinson) -- you know, based on the prior year's sales, which is not on the Company's website. This is -- this is stand-alone calculation that feeds into the energy service filing, gets updated every year.

Q Okay. Thank you. Yeah. It's a -- maybe a preview of coming attractions of, why does that need to be confidential by rate class, but we can cover that a different day. Okay. Good. And I don't want to interrupt you, I know you were trying to look at some prior years to see if it had wavered much. I could have sworn it was less in prior years, but maybe I'm wrong.

A (Robinson) Chairperson Goldner, for the small customer group from the DE-023 study, the light loss factor was the same, again, for the small customer group, which was just slightly different from the -- this -- this filing and last year's filing.

Q Okay.

A (Robinson) But -- but the factors for this study done in DE 23-043 and DE 22-021 were equivalent for the small customer group.

Q Okay. Thank you for verifying that. And can you just provide us some color as to why you would say that the Eversource loss factor is higher than the other utilities in the state, and why the small customer loss factor is significantly higher than the large customer loss factor within Eversource? Can you comment on those?

A (Robinson) I cannot comment, because I don't have the knowledge of the basis for those loss factors I referred to that are stated on the Company's website. I'm sure it was based on some loss -- loss study, line-loss study, at some point in time, but I don't know what that time was.

Unless, Luann or Parker, do you have any thoughts or any idea, any knowledge on that?

Q Because Eversource did not bring a new law study into the rate case, I'm pretty sure, because I've read like 40,000 pages, so it's not in there, so but Unitil did. So maybe, again, something to look at in the future. But these line losses look high relative to the other utilities, and there seems like there's no recent study, so that is a red flag to probably look at that in the future. So I'll move along, but I just -- those numbers kind of jumped out of the page at me.

A (Chin) I can comment a bit about the differences between the residential and the -- and the large customer loss factors.

Q Thank you.

A (Chin) Typically, you see a smaller loss factor for the large customers because there are higher-voltage customers that are just closer to the -- to the facilities that the transmission level. So you see a lower loss percentage for -- for those customers.

Q Okay. Thank you very much. And it actually makes sense to me that Eversource would be a bit higher than the other utilities in the state because it's larger, and so the energy has to travel farther, so I squared our losses. So it makes sense to me that it would be larger, but I just didn't -- wanted to get the Company's perspective, but that makes complete sense on -- on large versus small customers. Thank you. Okay. Thank you for that.

Last question on loss factors. So how would a community aggregator or a competitive supplier, how would they deal with this loss-factor question? They have to -- they have -- they're solving the same problem you are. They go to the market and they -- or they produce it themselves, and they send it to houses or businesses and there's losses in the lines. If you were in their shoes, how would you estimate the loss factor that they might have to produce in their calculations?

A (Littlehale) I'm hesitant to speculate how they do it.

CHAIRMAN GOLDNER: If the CPCNH would be able to comment on that in close, that would be appreciated. You may not be comfortable going to that place, but if you are, I think -- I'm just trying to understand how the different suppliers in the state are dealing with this, dealing with this problem, which is a significant percentage of the of the total load. Okay. Thank you.

QUESTIONS BY CHAIRMAN GOLDNER:

Q Moving along. Just a couple of other things. Exhibit 4, I won't use the confidential piece, page 30. So on that page, there is bad-debt expense on line 2. I don't see anything confidential, so I don't -- I think I can stay in my lane here. Is that bad-debt expense just the (indiscernible) portion of the bill for customers on default service? What I'm trying to understand is, is this default service just covering the folks that were recovering money from, or is this something more expansive or extensive?

A (Robinson) The -- the bad debt is -- it's a set percentage per the settlement. The bad debt is calculated in totality, and then a certain percentage gets allocated to energy service.

Q Percentage of --

A (Robinson) Of bad-debt expense.

Q -- of the Company's bad debt?

A (Robinson) Correct.

Q Okay. Okay. I don't think that's in the Company's current rate case, so I'll make a note of that. Okay. I understand.

A (Robinson) Commissioner Goldner, just for some context, is that from -- from the DE 19-057 settlement, that was an expressed clause in that settlement, that forty-seven percent would be subject to recovery from Energy Service.

Q Thank you. The Company, to my recollection, did not file any change to that in their current rate case filing, meaning it would default to this number, which might be perfect or it might not. It's not been something, I think, that I've given much thought to. So thank you for that. So it's forty-seven percent of the Energy Service bad debt. So is it able to break apart or it -- just maybe help me understand. Is it just taking the supply portion and applying forty-seven percent to the supply portion, is that what it's doing?

A (Robinson) Um-hum. Bad debt is calculated in total.

Q Okay.

A (Robinson) Total company of that total is an allocation to the supply portion or energy service portion of the bill. And that's the percentage that was settled back in 19-057.

Q So half of the Company's bad-debt expense, forty-seven percent, is being charged to default-service customers, and only default-service customers per the settlement?

A (Robinson) Correct.

Q Well, that's a problem. Okay. Thank you for that. Because it's -- a lot has changed since then. You -- we've got community aggregation. We've got competitive supply. We've got lots of things going on. But the default-service customers are getting charged for half of the Company's bad debt, even though they're roughly half of the load, so --

A (Robinson) Yeah. I don't recall what the percentage would be from the current DE 24-070 docket, but the forty-seven percent was from the prior rate base, DE 19-057.

Q Right.

A (Robinson) I don't -- I don't recall what a comparable percentage would be from the current rate case.

Q Understand. Yeah, I don't think the Company proposed anything differently, so it would just ride unless the Commission changed it, as I believe. But the difference is that in those days, at least on the residential piece of the load, eighty or ninety percent, was Company default service, and now it's fifty-five percent, as highlighted earlier. So we have a disconnect in what the remaining default-service customers are getting charged for bad debt.

And I understand it was in the rate case. I'm not criticizing. I'm just trying to be thoughtful about how these costs are recovered. Okay. Thank you. Okay.

CHAIRMAN GOLDNER: A question for Mr. Wiesner. You can address this at closing, if you like. But on Bates -- Exhibit 2, Bates 11, the Company is looking for a hearing in the next cycle, the next six-month cycle over Christmas week. And I guess I would suggest on behalf of the Commission and all the parties that that might not be optimal, to have a hearing that week, and we may want to pull that in by a week or something, so that we can have a hearing before the Christmas week starts. I'll just highlight that briefly.

QUESTIONS BY CHAIRMAN GOLDNER:

Q And then a final question. Final question is, how much of the RPS recovery was at ACP versus non-ACP? Does anyone have that calculation?

A (Littlehale) For which year?

Q Let's use most recent.

(Discussion off the record.)

Q All right. Sorry. Go ahead, please.

A (Robinson) Commissioner Goldner, if we could just point you to Bates page 57.

Q Okay.

A (Robinson) Of Exhibit 3 or 4, whichever you're looking at. This is -- this is part of the lead lag study, again, which based on calendar year 2024, where -- where we had the market purchases for RPS. And so again, this is -- the purpose of this page is to reflect for working capital purposes the impact of RPS. And so for this, again, we had a total of 12.4 million dollars of purchases that you could see -- that you can see on line 48, and that would be column --- column J. And I think you were asking about the ACP portion, the estimate that we filed last week is about 1.8 million dollars. And again, the -- as far as the vintage 2024 rec E-2500 filing, that will be done in July.

Q Okay. Just to make sure I'm reading it, hopefully, correctly. So ACP is line 49, that's 1.8 million. The mark record purchases, line 48, is 12.4 million, for a total of 14.2. So that's something, like, 12 or 13 percent of the total was ACP. Is that the way to read the last three lines?

A (Robinson) Yes.

Q Okay. Thank you.

A (Robinson) Again, and keep in mind this is for lead lag purposes. This is not a reconciliation of the form 8500.

Q Okay.

A (Robinson) This is just literally looking at the payments going out the door.

Q Okay. Thank you very much.

And Mr. Littlehale, I was just asked to clarify something, just so that we have the order correctly. I think what you said earlier was that the price increase from the current time period to the time period beginning August 1st is primarily driven by increase in gas prices, which turns into increases in electric pricing.

A (Littlehale) Yeah. You know, directly it's higher bids accepted from suppliers, and then a higher self-supply proxy price, which are based upon higher forward power prices, which are based upon higher, you know, natural gas prices.

Q Thank you. I just want to make sure we have the record correct on that. Thank you for that. Okay.

Any questions from my fellow Commissioners before we move to redirect and then close?

QUESTIONS BY COMMISSIONER CHATTOPADHYAY:

Q Just one quick follow-up on Exhibit 1, Bates page 34. The Chair was asking about reporting the data by comparing the self-supply costs with the average actual what you paid. I wouldn't -- I mean, that would be very useful, but I would also make sure that you don't drop the information that you have here, which is the price of rejected tranches. Okay?

A (Littlehale) The average price.

Q Both calculations.

A (Littlehale) Both. Yep. Okay.

Q Thank you.

COMMISSIONER DELL'ORFANO: No further questions from me, Mr. Chair.

CHAIRMAN GOLDNER: Thank you. We'll turn now to redirect.

MR. WIESNER: Mr. Chairman, I don't believe we have any redirect.

CHAIRMAN GOLDNER: Okay. Very good. We can turn now to -- so first, I'll excuse the witnesses. Thank you for your time today.

Having heard no objections to proposed Exhibits 1 through 5, the Commission shall strike identification on those exhibits and enter them into evidence.

(Petitioner's Exhibit 1 through 5 received)

CHAIRMAN GOLDNER: We'll now invite the parties to make closing statements regarding the Company's proposal, beginning with CPCNH.

MS. DENNIS: Thank you, Mr. Chairman and Commissioners. At this time, I would like to ask you to recognize my colleague, immediate past Chair of CPCNH, Clifton Below.

CHAIRMAN GOLDNER: Thank you. Mr. Below.

MR. BELOW: Thank you. We don't have any concerns about the Company's proposed rates. But I would -- I can respond to your question.

CHAIRMAN GOLDNER: Thank you.

MR. BELOW: For our current rate build-up, we looked at August '24 to January '25 average losses, and what we did, those are all resettled, fully resettled, short of a secondary rebilling. And we compared what the retail billings versus what we had to purchase at wholesale, and there is quite a variation. I'll just run through the numbers. And this is across all rate classes, so I think we do have it somewhat teased out by rate class, but I don't have those numbers.

So for Eversource, the overall average loss, or delta between wholesale and retail, was 7.52 percent. For the New Hampshire Electric co-op, 6.17 percent. For Unitil, 3.80 percent. And for Liberty negative 4.36 percent. In other words, for Liberty, we actually billed more than we had to purchase. We have one hypothesis, although I'm not sure it completely fits why this varies so much, but in theory -- I mean, part of what actually goes into the actual apparent losses is unaccounted for energy. And we never thought of Liberty having a lot more net metered generation that counts as load reducers relative to the other utilities. But if that is, in fact, the case relative to the total load, that can result in a negative apparent loss. But it doesn't explain why there's an 11 percent difference between Eversource and Liberty, because Eversource doesn't seem that different, although they do use different load settlement systems. Unitil and Liberty use the same third-party vendor, as well as the co-op, and Eversource has an in-house load settlement system. And so on composite -- our composite loss factor, cross-load weighting, is 5.65 percent.

And also, at the hearing on Unitil's default-service rate, I mentioned what I call the swing cost, which is deviation from forward strips, when you either have to buy more at the real-time price or liquidate. And that may not apply directly to companies that own a lot of generation, but in a sense it does, because they end up perhaps with surplus generation or not quite enough to meet their bid. And I was -- I now have a specific number I can give you for the upcoming rate period. We're estimating that swing cost at $4.02 a megawatt hour. So that, what you're calling sort of premium or potentially sort of profit, a chunk, a significant chunk of that, four dollars a megawatt hour, may be actual additional cost of supply. Hope that helps.

CHAIRMAN GOLDNER: Yeah. Thank you, Mr. Below. That was very helpful. Thank you. Okay.

We'll move now to the New Hampshire Department of Energy.

MS. LYNCH: Thank you. The New Hampshire Department of Energy has reviewed the petition, testimony, and attachments that have been introduced as exhibits. We have conducted one technical session with the Company. And based on this and what was presented today at hearing, the DOE supports the Company's proposal. As discussed, the Company is not proposing to include the 6.5 million under-collection, which was discussed in the Company's stranded cost recovery docket. The DOE looks forward to reviewing any forthcoming orders on this, as described in order 28,147 in the stranded cost docket, DE 24-112, and plans to engage in discovery with the Company on this. Thank you.

CHAIRMAN GOLDNER: Thank you. We'll turn now to the Office of the Consumer Advocate.

MR. KREIS: Thank you, Mr. Chairman. I will say on behalf of the Office of the Consumer Advocate that everything about default service in New Hampshire remains of concern to our office. With that said, I have no reason to recommend to the Commission that you do anything other than approve the proposed default energy service rates that are contained in the Company's filings, as it appears everything that the Company has done here is in good order.

CHAIRMAN GOLDNER: Thank you. And Eversource.

MR. WIESNER: Thank you, Mr. Chairman. I do want to express our appreciation for the willingness of the Department and other parties to participate in the technical session yesterday afternoon. These dockets move very quickly, as you know. And it is helpful to have that informal discussion prior to the hearing to surface any issues and bring greater clarity to the presentation that we make at hearing.

With respect to the schedule for December, we'll take a look at that and see if we can avoid the week of Christmas. I understand that concern. One of the constraints is, there is an interest among the three regulated utilities in the state to stagger the competitive solicitations and not have them all occur at the same time. So we'll have to perhaps coordinate with the other two companies, and see what we can do in order to hold that week harmless, if you will.

Other than that, I just will say that the rates that we've proposed for the Commission's approval represent the results of a fair and successful competitive solicitation for fifty percent of the small customer group load, as well as the self-supply portion of load for the small customers, and a hundred percent of the large customers, the bids accepted through the RFP process, and that process itself consistent with the Electric Restructuring Act, the settlement agreement in docket DE 17-113, and the order approving that settlement many years ago.

Separate proxy prices, as you've heard, were developed for the self-supplied portions of the small customer and large customer load for use in setting the energy service rates for effect August 1st, consistent with the methodology specified by the Commission in its recent orders. It's important to note that the accepted bids, and all bids received in response to the RFP, are reflective of current market conditions at the time those bids were made and selected. The proposed energy service rates for the six-month period beginning on August 1st were derived from the selected bids and the calculated self-supply proxy prices appropriately determined, also taking into account actual and anticipated RBS compliance costs and the prior period reconciliations previously approved for recovery consistent with the Commission-direct practices and requirements.

As you have heard, this filing does not include the 6.5 million dollar large customer group deferred under recovery balance. We will bring that forward with the proposed reallocation within the energy service rate when the next phase of this proceeding begins pursuant to the Commission's supplemental order of notice, as outlined in the recent order issued in the stranded cost recovery charge docket.

In summary, we do believe the energy service rates as proposed by the Company will result in just and reasonable rates for Eversource's default-service customers, and that the resulting rates should be approved by the Commission. So we respectfully request that the Commission approve both the small customer group rate and the large customer monthly rates, including the proxy prices used for the self-supply tranches for those two groups. And in view of the compressed timeline that applies in these default service proceedings, we ask that the Commission approve the Company's proposal by the date specified, which is this Friday the 27th. Thank you.

CHAIRMAN GOLDNER: Thank you. The Commissioner will take the matter under advisement and issue a ruling no later than Friday, June 27th, as requested by the Company. Thank you for your time today. The hearing is adjourned.

(Proceedings concluded at 11:13 a.m.)

CERTIFICATE

I, Melida Harris, a court-approved proofreader, do hereby certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter, to the best of my professional skills and abilities.

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