

New Brunswick Board of Commissioners of Public Utilities

Hearing

In the Matter of a Board Order to Review Enbridge Gas New Brunswick Inc. Financial Results at December 21, 2002 and December 2003

PUB Premises, Saint John, N.B.
December 14th 2004, 10:00 a.m.

CHAIRMAN: David C. Nicholson, Q.C.

COMMISSIONERS: Ken F. Sollows
H. Brian Tingley

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CHAIRMAN: Good morning. This -- I can't even remember when this is adjourned from.

I guess it doesn't matter, does it?

MR. HOYT: October 28th.

CHAIRMAN: October 28th. Thanks, Mr. Hoyt. In reference to the Board's review of EGNB's financial results for the 2002 and 2003 years. And I will ask for appearances please. Enbridge Gas New Brunswick Inc.?

MR. HOYT: Len Hoyt from McInnes Cooper representing Enbridge Gas New Brunswick. And I'm joined by Shelley Black, the Manager of Upstream and Regulatory, Andrew Harrington, the General Manager and Mike Gruttner, the Manager of Operations for EGNB.

CHAIRMAN: Thank you, Mr. Hoyt. Maritime Natural Gas

Pipeline Contractors Association?

MS. DESMOND: Mr. Chairman, if I could, I understand David Ross called. And he will be here in about 15 minutes.

CHAIRMAN: Okay. I know that he had a conversation with some of the Board staff yesterday. And anyhow we will -- I don't think he has a great interest frankly, from what I gather, in the AFUDC issue. And so that may not be a problem if we go in-camera with that.

The Board is represented by Ellen Desmond as Board Solicitor. And of course Mr. Eason is here, the Board's financial adviser, and whose report for both years forms the subject matter of this hearing. And Mr. Goss and Mr. Lawton are here for Board staff.

Anything that you want to say before we begin,
Mr. Hoyt?

MR. HOYT: Just one matter. In preparing for today I noticed that document that we presented on September 30th, and what it was described as was our -- Enbridge's recast income statement in accordance with Ernst & Young's traditional manner, which we put up on the screen but weren't able to actually print that day, but then subsequently sent to the Board, has never been entered as an exhibit, as part of the proceeding.

And I have got copies here and would suggest that it

is probably appropriate to do so.

CHAIRMAN: That is probably a good idea.

MR. SOLLOWS: It is not in this little package?

CHAIRMAN: I don't think so. If it weren't marked as an exhibit, Commissioner Sollows, it is probably not there. Would you like to give Mr. Easson a copy and the panel? You are familiar with the document, Mr. Easson?

MR. EASSON: No, sir.

CHAIRMAN: Okay. Give me a little background again, where this was and how it came about. This is what was on the screen?

MR. HOYT: Well, actually on September 30th we started and we did the slide presentation which had, I don't know, eight or nine slides and actually is exhibit A-2.

But in the discussion, the Ernst & Young letter came up. And in it there were suggestions that there was this traditional manner, a term that they used that was unfamiliar to everyone else.

But once we were provided with the letter that day, we then recast EGNB's income statement in accordance with the example that was set out in that letter.

Towards the end of the proceeding on September 30th we put it up on the screen but were unable to print it that day. When we got back to Fredericton, I believe the next

day, it was sent to the Board.

CHAIRMAN: Okay.

MR. HOYT: And I don't have a copy.

CHAIRMAN: Well, we will mark it for whatever purpose, you know, it may turn out to achieve, as A-4 -- A-5 rather. Okay. Anything else, Mr. Hoyt?

MR. HOYT: No, sir.

CHAIRMAN: Now as you are all aware, after we concluded the last day's sitting in this matter, why the Board went back -- we had some interrogatories that were sent out. Staff had hoped to achieve certain things by doing that.

I don't -- the interrogatories are on the record. We will just leave it at that. We then asked the applicant to file with us -- and it turned out you did in confidence -- it inadvertently went out to all the parties.

And you, Mr. Hoyt, and I have discussed that perhaps it would be best to handle that matter in-camera --

MR. HOYT: Yes.

CHAIRMAN: -- which is fine with the Board. Our desire simply is that EGNB be given the opportunity of starting with the audited financial statements and show us the entries made to adapt it to regulatory format.

And if we have any questions about what you present in that regard, we will ask them. And then we will ask Mr.

Easson to take us through the same steps as he would see fit to do or appropriate to do. That is pretty much where we are coming from.

Mr. Hoyt, you wanted to be able to ask some questions. And in your letter you used the phrase "cross examination". And throughout this piece we have to tried to keep it at a different level.

If there are questions that you wish to ask of Mr. Easson or Ms. Desmond or Ms. Black, why by all means you can ask a question. I hope that they will be in a gentlemanly fashion and not in the form of cross examination, as those of us who have been in court would term it. Simply because our purpose here is not to destroy somebody's credibility but rather increase our comprehension level period, simple as that.

So it is unfortunate that Mr. Ross isn't here at this time. Because I would like to get him on the record as indicating what I believe is the case, that he is not concerned about being involved in the confidential session.

Are there any other matters we could turn to prior to getting to that? Nothing else in a housekeeping fashion that we can do? Mr. Easson?

MR. EASSON: Mr. Chairman, I was wondering if there would be

other items on the agenda for his hearing, such as will we be dealing with the Vanier Pipeline --

CHAIRMAN: Yes.

MR. EASSON: -- question?

CHAIRMAN: Yes.

MR. EASSON: And the question of the capitalized expenses?

CHAIRMAN: Yes.

MR. EASSON: Yes.

CHAIRMAN: That is our intention is to go through those various points raised in your two reports, Mr. Easson.

Ms. Desmond, did you take that phone call from

Mr. Ross or --

MS. DESMOND: No, Mr. Chairman.

CHAIRMAN: -- was it just given by staff?

MS. DESMOND: I didn't. I just was advised by Mr. Lawton that he had called and expected to be here about quarter after 10:00.

CHAIRMAN: Okay. Well, look, if you don't mind I'm going to ask you to wait a few more minutes. And we will just break until he comes in. And I will ask Mr. Lawton to have a chat with him and tell him what we have done, that we are waiting.

Because if he is not terribly interested in trying to follow AFUDC through in an in-camera session, then I will

just put him on the record as having agreed that it is of no interest to him.

We will go in-camera. And then he can join in in the hearing after that. So we will take a break.

MS. DESMOND: If I could, Mr. Chairman --

CHAIRMAN: Yes.

MS. DESMOND: -- I don't mean to interrupt. I just wanted to add that I understand staff did advise him that we would be having an in-camera session. And he didn't have any objection to that.

CHAIRMAN: That was my understanding from Mr. Lawton. I would like to have it on the record though.

(Recess - 10:15 a.m. - 10:25 a.m.)

CHAIRMAN: Okay. We are back on the record. And Maritime Natural Gas Pipeline Contractors Association, Mr. Ross is now in the room.

And Mr. Ross, staff indicates to me that you really don't have -- I will get him to the microphone to say something in a minute. That is okay.

You have really no interest in being present while the rest of us deal with AFUDC in-camera. So you don't mind being excluded from that. And that gets over certain confidentiality problems.

MR. ROSS: That is correct, Mr. Chairman. The Association

is happy for that to proceed in-camera.

CHAIRMAN: Okay. Thank you very much. So we will -- as I have told you, we have asked the staff. And they can show you somewhere where we can do some work here while we are delving into the mysteries of AFUDC.

(In-camera)

CHAIRMAN: Okay. We are back on the public record now. And I would propose, Mr. Hoyt, that we save the Vanier Pipe matter until after we have covered the other matter which Mr. Easson brought forth in his reports to the Board.

That being -- the reason for that is that I think that Mr. Easson has simply pointed it out. And we will just simply have some questions as a panel of any witnesses that you want to produce or whatever. In other words it is not an accounting issue. It is a regulatory decision issue as to -- and so that would clear the deck so Mr. Easson can return to Montreal. Who knows with the way Air Canada serves us now, but --

MR. HOYT: Just so I understand, so when is Mr. Easson returning to Montreal?

CHAIRMAN: He hasn't made up his mind yet. But he has nothing further to say aside from his report concerning the Vanier Pipe issue. So all I'm doing is moving that off. And we will cover that without Mr. Easson's

necessity of being present at all.

And so the other item, Mr. Easson, can you just refresh -- hang on. I had better pick these all up and put them somewhere.

Mr. Easson, if you would help me out a little here in your report on the 2002 year. There was the AFUDC issue. There was also -- was that the year of the Vanier Pipe?

MR. EASSON: No. 2003 was the year I believe.

CHAIRMAN: All right. Then in 2002 what was the second issue that your report highlighted?

MR. EASSON: The second issue in 2002, and I suppose you could call it the third issue of 2003, was the capitalization of expenses.

CHAIRMAN: And that is -- and the 2002 report your recommendation to the Board was that --

MR. EASSON: Identical with 2003 --

CHAIRMAN: Okay.

MR. EASSON: -- that the Board -- that Enbridge should be directed to carry out a comprehensive analysis of the costs capitalized in order to determine those which are not directly attributable to the construction or acquisition of property, plant and equipment.

Expenses which are similar in nature should be grouped and a determination made of their realistic expected

period of benefit to the utility. In turn this would establish a reasonable period of amortization. The costs should continue to be included in rate base.

And I suggested that this report should be submitted to the Board as soon as possible. Because we are fast approaching the end of the 2004 year. And this is really something which should be an issue for regulatory purposes in 2004.

I believe if the company wants to carry on capitalizing these assets for its limited partnership financial statements and Price Waterhouse Coopers are in agreement with that, then nothing needs to be done to their statutory accounts. But I'm suggesting that for the regulatory accounts we should have an analysis and perhaps a reclassification of the expenses.

And the reason I'm suggesting this is the company has invested in a number of initiatives to try to develop the market in 2002 and in 2003. And I have no indication that the expenses were imprudent or improper or anything of that nature. I just think that the capitalization of a number of these items, which I can go through with you perhaps in a few minutes, is inappropriate.

Now I think there is a huge difference between expenditure incurred to complete the construction of

property, plant and equipment and a lot of the expenses that are now included in property, plant and equipment.

And I think there is two issues. I think if you are looking at the rate base you are seeing a figure of, if my memory serves me correctly, something like \$130 million in property, plant and equipment, of which over the last two years about 17' or 18,000 -- perhaps 17' is capitalized operating expenses.

So there is a significant part of the property, plant and equipment which is really in my view not associated with the construction of the plant.

MR. SOLLOWS: Just to clarify -- or maybe I misheard -- you said so many million but then 17,000?

MR. EASSON: Million.

MR. SOLLOWS: Million?

MR. EASSON: Sorry. Did I say thousand?

MR. SOLLOWS: Million in each case?

CHAIRMAN: Yes.

MR. EASSON: I'm having a bad day.

CHAIRMAN: We all are.

MR. SOLLOWS: I said something about -- I think I said that NB Power had 3,000,000 in assets. It is of course 3,000,000,000.

So I would like to draw to the Board's attention the

response of EGNB to Supplementary Interrogatory Number 3.

CHAIRMAN: What date would that have been?

MR. EASSON: Well, my copy just says PUB 2004-022, PUB 2004-023.

MR. GOSS: I think those are the ones September 23, the second set of documents.

CHAIRMAN: Whose interrogatory was it?

MR. EASSON: PUB supplementary.

CHAIRMAN: I can't find it.

MR. GOSS: It may be behind the second tab C, the yellow one, the second -- it goes A, B,
C, of the second --

MR. SOLLOWS: PUB IR 1, September 9th, is it, David?

MR. LAWTON: 23rd.

MR. SOLLOWS: 23rd of September.

MR. EASSON: Response to IR number 17, that's the one. Three pages?

MR. GOSS: Yes.

MR. SOLLOWS: 29th of October.

MR. GOSS: That's the one.

CHAIRMAN: Here we are. It's right here. EGNB PUB September 23rd responses to
interrogatories. September 23rd.

MR. SOLLOWS: Okay. I see. Yes.

CHAIRMAN: All right. Now that we have found them, again

which one was it?

MR. EASSON: Supplementary interrogatory number 3.

CHAIRMAN: 3. And do you want this back? We found them, Mr. Goss. I don't ever want to do two years together again. Okay. Go ahead, Mr. Easson.

MR. EASSON: I would like to refer you to page 3 of 3, paragraph 3, which reads, EGNB is committed to working with Board Staff to resolve any outstanding issues. However, EGNB wants to be clear that undertaking a comprehensive analysis of costs capitalized from January 1 2002 onward and the few remaining months of 2004 would be a very labour intensive task of EGNB. Further EGNB questions the value of such a study and fails to see how incurring the costs of such an undertaking would be in the public interest. Finally, application of any Board order retroactively would be a particular burdensome exercise involving two different financial systems, a departmental reorganization and somewhat limited historical reporting. So that's the response we get under EGNB is committed to working with Board Staff to resolve any outstanding issues.

Let me deal with these points, because it does look as if we are talking about getting an army of clerks in pouring over ledgers, writing down numbers. And this is

simply not the case.

All of these expenses have been recorded in specific accounts, under specific departments and are already in the books and are mostly identified by their nature. And I really don't think that it would take very long for somebody from Enbridge to review all of these accounts and come up with some sort of analysis or a comprehensive analysis, which is what I am asking for. And I can tell you that I, myself, have been through the general ledger by department, by account, summarized all of these items, been able to pick out the large items, see what they are in the general ledger and make notes. And I have here in my briefcase if you would like to see -- if you would like to see it.

So it is not really that difficult a task. I am not talking about going through and balancing everything to the cent and looking at every item.

But to give you an idea of the items -- and we are talking about having been capitalized --

CHAIRMAN: Yes. Just a minute -- just a second, Mr. Hoyt would like to say something, Mr. Easson.

MR. HOYT: I would just like to -- it's just a point of clarification. My understanding of what Mr. Easson had recommended in his report both in 2002 and 2003 was to

have Enbridge review the amortization period with respect to the capitalization of those expenses. As pointed out in the same IR, actually the page that you are on, page 3 of 3 of this IR 3 at the beginning of the top of the page, Enbridge feels that it's critical to note that neither the Board's financial consultant, Mr. Easson, nor EGNB's external auditors, Price Waterhouse, have raised capitalization rates as an issue to be resolved.

It's not the capitalization rates that were raised in Mr. Easson's report. The issue was what is the proper amortization period to recover those expenses. It's not to go back in -- obviously to make the arguments about what the appropriate amortization period is, we will have to look at those accounts. But I just want to make it clear that my understanding is that we are not talking about in -- for the years 2002 and 2003 opening up the capitalization rates or the amounts claimed. It's over what periods of time are those to be recovered.

CHAIRMAN: And what they are called I think?

MR. EASSON: I am sorry?

CHAIRMAN: And what they are called. I mean, they are not --

MR. EASSON: Yes.

CHAIRMAN: -- I mean, advertising is not property, plant and

equipment.

MR. EASSON: I would agree with that point. So if you have for the sake of argument a million dollars of media advertising capitalized 100 percent to property, plant and equipment, then I would say, yes, that's a question of the capitalization rate. The rate should be zero.

MR. HOYT: But again this is raising an issue other than what was recommended in this report.

MR. EASSON: I am --

MR. HOYT: If I could just refer back to Mr. Easson's report itself. I am looking at the --

MR. SOLLOWS: 2002.

MR. HOYT: -- the 2003, but I think the text is the same. I don't know, Mr. Easson, is that -

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MR. EASSON: Yes, it is.

MR. HOYT: -- the same. So I am looking at before the actual recommendation up above.

MR. SOLLOWS: What page?

MR. HOYT: On my -- on 2003, it's page 8. And the comment is -- and I am about just past the halfway mark of the page. It says, I reviewed departmental expenses to determine if they were a reasonable in amount and nature for eventual recovery from future rates and I noted no items which should be excluded. I discussed with

management the rational for capitalizing such expenses and I was informed that in

2003, consistent with 2002, the costs were considered as investments made in furtherance of the corporate strategy to develop the gas market in New Brunswick. In the circumstances of a mature corporation, I believe the costs other than those directly attributable to the construction of property, plant and equipment would have been expensed as incurred. The utility is still in the developmental period and if the costs had been expensed, they simply would have served to increase the loss for the year. As a consequence of this the deferral account would have been increased. It is my view that for regulatory purposes, the costs should be considered more in the nature of deferred charges.

So there was no question about whether or not the capitalization rates were proper or how much is being shifted. If you go down into the actual recommendation, it says that I recommend to the Board that Enbridge should be directed to prepare a comprehensive analysis of the cost capitalized in order to determine those which are not directly attributable to the construction or acquisition of property, plant and equipment. Expenses which are similar in nature should be grouped, a determination made of their realistic expected period of benefit to the

utility. In turn this would establish a reasonable period of amortization. The cost should continue to be included in rate base. And a report on this matter and Enbridge's recommendation should be submitted to the Board for approval as soon as possible.

So our understanding was that what we were being asked to do, and in fact in I guess supplementing the response to this IR 3 that we turned to, Mr. Harrington put a statement on the record on September 30th agreeing to provide the report that has in fact been recommended by Mr. Easson. But that it would relate to the amortization period. Over what period of time should these be recovered? It's not so much -- it's not the expenses themselves. That would be opening up a whole new issue.

MR. EASSON: I would think that the statement, for regulatory purposes the costs should be considered more in the nature of deferred charges, indicates that we have to have the review of these expenses. And as I have said they should be grouped together, advertising, rebates, incentives, whatever they are. And they should be reviewed to see if they are of any continuing benefit to the utility. The only way you can do that is to go into your general ledger, find out what the expenses were, group them with other like expenses, and then they would

still be capitalized in the sense that they are included in rate base, but rather than being called property, plant and equipment, they would be called deferred charges. And those deferred charges would then have an amortization period.

MR. SOLLOWS: Yes.

MR. HOYT: That's along the lines of what I expected. The previous comment sounded like we were going back into determine whether or not these had been properly capitalized. And again that would have been a different issue.

MR. EASSON: Well when you say capitalized, do you mean capitalized as property, plant and equipment or as deferred charges?

MR. HOYT: Capitalized.

MR. EASSON: Property, plant --

MR. HOYT: No, as the Chairman said -- I mean there is an issue to determine if they are just accumulated -- or amortization of plant and equipment, well that's one thing. They are deferred charges. It's whatever the determination would be made as a result of that report as to what the grouped assets, how they should be characterized and over what period they should be recovered.

MR. EASSON: But I think -- I think what -- the reason that I am trying to find a difference between these expenses and property, plant and equipment and the deferral account is if you take -- if you take these expenses out of capital -- out of property, plant and equipment, where I do not believe they belong and you simply write them off, all you are doing is increasing the deferral account, which will then be carried forward until the end of the development period, after which time it will start to be amortized.

I am suggesting that the type of expenses that we are looking at should be properly grouped together and amortized over a much shorter period than the deferral account.

MR. HOYT: But I understood that's why we were to prepare a report to put forward our case in terms of what that proper period would be, whether it's -- whether we think it's the same as plant, equipment or something much less. I think that's what our report would do. And then, you know, Mr. Easson would have his input into that and the Board would decide over what period it will be recovered.

MR. SOLLOWS: So in the report would come the grouping of expenses and your estimate of the appropriate life for amortization of those expenses?

MR. HOYT: Right. For us to make an argument as to what that useful life is, we are going to have to group assets with a particular theme to be recovered in a certain way.

CHAIRMAN: Mr. Easson?

MR. EASSON: Yes. You would have to group expenses of a particular theme. So in order to do that, you have to go back into your financial records and identify.

Now the response to interrogatory -- supplemental interrogatory number 3 was this would take far too long, it's very time consuming, and et cetera, et cetera. And frankly I don't believe it is. I was able to come up with a lot of information with two days work. So I don't think we should be deterred by the fact that somebody says this should take -- will take a long time and then they are questioning the utility on it. And I would perhaps like to get to that point. I think from Mr. Hoyt has said that the intention is to produce something which will be in the nature of we spent this much on advertising, this much on incentives, rebates, whatever.

MR. SOLLOWS: I guess it comes down to --

MR. EASSON: And there is an amortization period, which is what I am recommending.

MR. SOLLOWS: -- and does it come down to -- the issue right now is what did you -- what do you mean in this ultimate

paragraph page 3 of 3 of the schedule 3, supplementary interrogatories? I guess how I am hearing, this throws doubt in Mr. Easson's mind as to what you are intending to provide? But we understand that by way of clarification, you are going to offer a normal depreciation study for any of these expenses?

MR. HOYT: I mean, I don't know what the report is actually called, but we would come back with a report that recommends how, over what period of time the assets in question are to be recovered.

MR. SOLLOWS: That's it.

MR. HOYT: I know our consultant will call it whatever is appropriate.

CHAIRMAN: Well, I -- it sounds to me as if we should stop commenting on this and simply ask how long do you think it's going to take your consultant to do it for 2002, 2003, and then of course 2004 is right there. I am going to be doing three years in the next hearing. This is awful.

MS. BLACK: The study has actually already commenced and we would expect to be finalized by March 1st of 2004 for the years 2002 and 2003.

CHAIRMAN: From what I heard Mr. Easson saying that's awful -- that's quite a stretch of time, you know. I

mean, if what I heard Mr. Easson say was that in two days of his being on your premises he was able to do a pretty thorough job of looking at both years. Do I hear you both years --

MR. EASSON: Yes.

CHAIRMAN: -- in that period of time? You know, I -- Christmas is coming and that's appreciated and you do have another hearing with us, but you won't be doing it, it will be this consultant, will it not?

MS. BLACK: That's right

CHAIRMAN: So I don't understand why it's going to take three months -- well three-and-a-half months.

MS. BLACK: No. It would be ready by March 1st, so that would be January and February.

CHAIRMAN: Sorry. March 1st. Okay.

MS. BLACK: And it has just started, so -- and, you know, it could possibly be ready by mid February. I'm just not sure at this point. It has just started.

CHAIRMAN: Okay. February 14. No. I think we would like to get it up and running because it's going to be a few months after that before we finally made a determination and recast the regulatory statements for the three years. So do the best that you can I guess is what I'm trying to say.

MS. BLACK: Certainly.

MR. EASSON: Now the other points about why this would be in the public interest, I --

MR. HOYT: Why what would be in the public interest?

MR. EASSON: The statement. We fail to see how incurring costs of such an undertaking would be in the public interest.

CHAIRMAN: Well the basis of that statement was probably a misunderstanding of the nature of what was being recommended, Mr. Easson. I don't frankly think we need to go there.

MR. EASSON: Okay. But I certainly think the Board is being asked to pass or to approve these expenditures. And I think you ought to know what expenditures you are approving.

CHAIRMAN: Oh yes, we agree with that.

MR. SOLLOWS: But you are going to bring forward the report and then we will be able to deal with it once we see the report.

MR. EASSON: Right. And then the two different financial systems, I assume that refers to the regulatory accounts and the NLP accounts, and frankly that's a simple exercise.

MS. BLACK: No, it does not. We had actually two different

software, financial packages. That's all I was referring to.

MR. EASSON: Oh, you are talking about the -- yes, but that software applies to your limited partnership financial accounts?

MS. BLACK: Yes.

MR. EASSON: It would only be a problem if you decided to put the financial accounts in line with the regulatory accounts.

CHAIRMAN: All right. It's 10 after 4:00. You folks are driving back to Fredericton tonight I presume. What is your pleasure on starting in the morning, 10:00 or do you want to -- Mr. Easson, your flight is out on Thursday, so are going to have to back it up.

MR. EASSON: Thursday at 4:30.

CHAIRMAN: So you are going to have to back it up. Hopefully you can get out of here noon hour tomorrow. When do you want to start on the --

MR. HOYT: 10:00, but -- so what time would you have to leave tomorrow?

MR. EASSON: Oh, that's okay. I'm a very fast driver. About 3:30.

MR. HOYT: Could I ask just a couple of questions?

CHAIRMAN: Of whom?

MR. HOYT: Of you, Mr. Chairman.

CHAIRMAN: I knew it.

MR. HOYT: 1) I just wanted to confirm that with respect to the item that we just talked about that that concludes it, that you are not looking for any comments along the way in addition?

CHAIRMAN: No. If I heard correctly you folks are preparing it, you now understand that I think we appreciate first of all what Mr. Easson has recommended. I hear you saying yes, we will go ahead and we will produce a report like that with our recommendation on various things and how it should be handled. And the Board will ultimately have to rule on those recommendations or substitute some things with their decision on it and then as a result of that the regulatory accounting statements will be changed to reflect the Board's decisions.

MR. HOYT: Right. I just want to confirm that you didn't want anything further on that.

The second thing, just so I understand where we are going to pick up in the morning, is the intention to deal with the rest of AFUDC?

CHAIRMAN: Yes. That's what we would start with in the morning is the rest of AFUDC.

And I don't see that as being a terribly lengthy effort and I am doing that for -- saying that for Mr. Ross' benefit who sat around and

twiddled his thumbs all day. But I would expect half an hour should wrap that up.

And you know what happens whenever I expect something to happen. So I may have doomed us.

But no, I would expect we would come back and you will have had an opportunity reading that Connecticut Light and Power piece or whatever and Mr. Easson as well, and if you had a couple of further things that you wanted to talk to Mr. Easson about after that then you will have an opportunity to do that, and Ms. Black can do anything that she wants with A-7.

And as I have said to you before you will have complete opportunity to address the Board in a summation on any points that you want to make about what we have covered here.

MR. HOYT: And that actually was my last question. Just in terms of the timing of that summation, I'm not sure if I will require the transcript from today's proceeding to do that. I'm just wondering what the Board was thinking in terms of when that would take place, whether it would be an oral submission some time this week or whether it would be a written submission shortly thereafter?

CHAIRMAN: I think that when we conclude what we are doing we can discuss where we will go, but as far as I'm

concerned, you know, we will not have to have Mr. Easson attend at all, et cetera, so that if you tell me -- I always prefer to hear oral frankly, if you don't mind doing that.

MR. HOYT: No, no.

CHAIRMAN: Because I think it is less time consuming from your point of view where you are knowledge-wise right now. And that gives us the opportunity to have an exchange with you on ideas. And we can probably do it -- if there is insufficient time to do it -- say Thursday morning or something. We will have to send Commissioner Tingley home for a clean shirt. He only thought he was here for one day. But anyway, we can deal with that. But certainly if you want to do it in a week's time or after Christmas or after New Years, then that's fine with us.

MR. HOYT: I mean, that was fine. I would sooner not go too long since it's fresh in our minds, but I will need some kind of a gap between the end to prepare it.

CHAIRMAN: Yes. Certainly.

MR. EASSON: I would appreciate the opportunity to send in a written submission -- summation. May I do --

CHAIRMAN: Pardon?

MR. EASSON: Is there some problem with that?

CHAIRMAN: Well no, but I was quite surprised. Basically

what it is is it's supplemental to your report. We are simply dealing with the report.

But --

MR. EASSON: Well there has been evidence produced since I wrote my report.

CHAIRMAN: Oh there has been a lot of things since. If you want to -- I mean, then we get into a back and forth thing that -- why don't we all think about it overnight as to how we might handle that and if maybe it's -- maybe, Mr. Easson, if you want to do it -- I presume it's in reference to AFUDC?

MR. EASSON: I would say principally, yes.

MR. SOLLOWS: As long as it's argument.

CHAIRMAN: I can't nail him down today at all. Pardon?

MR. SOLLOWS: As long as it's argument, right?

CHAIRMAN: Yes. Then I see no problem. But then I think probably it gets us into written responses and then a short time to be able to just rebut in a very short fashion and be done with it, rather than go the oral route. Anyway, let's all think about it overnight and I will see you at 10:00 in the morning. And, Mr. Ross, I would say come on over about 10:30 or quarter to 11:00, somewhere thereabouts. Thank you.

(Adjourned)

Certified to be a true transcript of the proceedings of this hearing as recorded by me, to the best of my ability.

Reporter