

Residential Ratepayers' Advisory Board
May 9, 2011 Meeting Minutes

Present for the Board:

Lawrence Kelly, Chair
Otis Perry, Vice Chair
Claira Monier
Richard Russman
Deborah de Moulpied
Kenneth Mailloux
Dwayne Wrightsman
Tom Moses

Present for the OCA:

Meredith A. Hatfield
Kenneth E. Traum
Rorie E.P. Hollenberg
Stephen R. Eckberg
Christina Martin

Guest:

Joseph Costello, Tri-County CAP

1. Minutes of February 7, 2011 Meeting

Mr. Kelly declared a quorum and called the meeting to order at approximately at 2:03 pm. He asked for any comments and revisions to the draft minutes of the February meeting. Hearing none, Mr. Kelly asked for a motion to accept the minutes as drafted. Mr. Perry moved to accept the minutes, and the motion was seconded by Mr. Mailloux. The Board unanimously approved the minutes as drafted.

Mr. Kelly informed the Board that he is retiring from Tri-County Community Action Agency and consequently the Board as well. He introduced Joseph Costello as the new Executive Director for the Community Action Agency. He then explained that he had spoken to the Governor and suggested that Mr. Costello be appointed to fill Mr. Kelly's position on the Board. The Board members then introduced themselves and welcomed Mr. Costello.

Ms. Hatfield then informed the Board that Mr. Traum is also retiring at the end of June and that the OCA will be throwing a party in recognition for him on June 17. Ms. Hatfield invited the Board and said that more details are to come. [Editors Note: The new date for the party is June 24th.]

2. Case Activity Update

The Board discussed several items on the Case Update list:

Energy Efficiency and Sustainable Energy Board

Mr. Russman asked Ms. Hatfield to update the board on the EESE Board and the legislation to repeal RGGI. Ms. Hatfield explained that as a result of SB323 last year, the EESE Board has been focused on an independent study of the effectiveness of CORE programs and other efficiency and renewable programs in the state.

Regarding HB 519, it repeal the state's participation in RGGI, but an amendment is expected to be brought forward from Senator Bradley, which does not repeal RGGI but makes changes to the current law. It would allocate a portion of the RGGI auction proceeds to the CORE efficiency programs administered by the utilities, with any remaining proceeds being rebated to electric consumers. Mr. Traum said that the amendment also requires that if any other NE state leaves RGGI that NH leaves too. Ms. Hatfield said that she believed that the language would be focused on other New England states leaving RGGI. Mr. Russman asked how the RGGI amendment will affect residents who invest in renewable energy. Ms. Hatfield explained that the RGGI funds have only been used for efficiency, and that by directing a portion to the CORE programs a portion will still go to efficiency. Once the cap to CORE Ms. Monier stated that she had heard that the rebate could be approximately .35 cents per month to an average residential customer. Ms. Hatfield said that she had heard that figure as well, and stated that the mechanics of any rebate would be determined through a proceeding at the Commission. Mr. Wrightsman asked if this issue is purely political or is there some substance to the argument. Mr. Russman, Mr. Kelly and Mr. Mailloux all replied that they believed that it was political.

DE 10-160 PSNH Customer Migration

Mr. Russman asked what is happening with the migration case, and asked why the PUC was continuing to increase rates for PSNH when all that is doing is causing more migration problems. Ms. Hatfield said that we are still waiting for an Order in the case. She explained that on July 1st PSNH is requesting an increase in their energy service rate, as well as several other rate changes in both energy and delivery rates. Mr. Russman asked why not run the plants of natural gas when natural gas is cheaper, or wood plants when wood is cheaper, etc. Mr. Traum explained that PSNH's one plant that can run on natural gas (Newington Station) is as efficient as newer plants, and it is generally very expensive to change fuels for a plant. Mr. Russman stated that it doesn't seem fair to the residential customers who cannot migrate to get a better rate. Ms. Hatfield agreed and told the Board that there is a new competitive electric supplier that is offering a choice to smaller customers. You can view their website at www.residentpower.com. Ms. Monier asked to clarify what would happen if she was a Resident Power consumer and her power went out, who would she call? Ms. Hatfield explained that when a consumer chooses to purchase electricity from a competitive supplier they remain a delivery service customer of their utility. Therefore, you would still call PSNH or whoever your delivery provider is during an outage.

DE 10-195 PSNH Petition for Approval of a Purchased Power Agreement (PPA) with Laidlaw Berlin BioPower, LLC

Ms. Hatfield explained that the PUC's Order stated the contract was approved with conditions and the parties have thirty days in which to file a new PPA. Ms. Monier asked why PSNH agreed to such a high PPA in the first place. Ms. Hatfield responded that she did not know exactly, but she indicated that PSNH claimed that they thought this was a good deal, and that it includes an option for PSNH to purchase the plant at any time if Laidlaw sought to sell it. Mr. Wrightsman asked what happened with CPD and Concord Steam in the case. Ms. Hatfield explained that Concord Steam was the only party in the case that competes for wood, as well as for long-term purchased power agreements (PPAs) with companies like Laidlaw, so their perspective was useful to have in the docket. Ms. Hatfield stated that Concord Steam did not explain the reason for its withdrawal. She went on to say that CPD disclosed during the case that its parent company now has interest in Laidlaw's parent company.

DE 10-261 PSNH Integrated Least Cost Resource Plan
DT 10-211 603 Area Code Exhaustion

Ms. Hatfield explained that in an effort to conserve numbers and extend the life of the 603 area code, the Commission Ordered that blocks of numbers be retrieved from Global NAPs customers. This means that some businesses and/or residents will be forced to give up their numbers. Ms. de Moulpied asked if the parties ever discussed the impact of the increasing use of cellular phones and whether that could help with extending the life of the area code. Ms. Hatfield responded that she was unsure if that had been discussed, and that many people believe one of the reasons for needing a new area code is due to the increase in cell phones, such as families now having cell phones which include a different number for all in the family, which is quickly using up 603 numbers.

DW 10-091 Pennichuck Water Works, In. Rate Case

Mrs. Hollenberg discussed the \$5 million legal costs that PWW is hoping to recover from all PWW ratepayers in this case. She then briefed the Board on the case as well as the pending acquisition case, DW 11-026. Mr. Perry expressed his distaste for ratepayers paying for the company's decision to litigate the eminent domain issue. He stated that he believes that the decision was the company's to make and its shareholders, not the ratepayers should pay those costs.

Mr. Wrightsman asked about Lakes Region Water Company and if it was made up of non-contiguous systems. Ms. Hatfield and Mr. Eckberg explained that the systems were spread out, and that many of them had been built over time by developers. As a result, many have needed considerable investments.

DG 11-040 National Grid Sale to Algonquin Power

Ms. Hatfield briefed the Board on the status of this case. She indicated that National Grid has only been in NH since 2006.

DG 11-069 Northern Utilities Rate Case

Ms. Hatfield briefed the Board on the status of this case.

DRM 10-296 Puc 1200 Amendments to Rules Relative to Utility Disconnections of Service for Medical Emergencies

Ms. Hatfield explained that as a result of the death that occurred in Salem last summer, the PUC is revising the rules that govern protection from disconnection for customers who qualify for medication protection. She said that one of the changes is to encourage customers to provide third party contacts to utilities when possible to assist in medical emergencies. Mr. Perry made the statement that he wants to be clear that consumers still have the responsibility to do their part so that the utility does not have responsibility that it should not. Mrs. Hollenberg said that she understood his concern, and that the rules still clearly state that customers have an obligation to enter into and keep a payment arrangement, even with medical protection, so that the utilities are protected.

3. Legislative Review

Ms. Hatfield referred the Board to the OCA Bill Tracking handout. Ms. Hatfield fielded the Board's questions about the bills listed including HB 648, which prohibits public utilities from petitioning for permission to take private land or property rights through eminent domain for the construction or operation of certain transmission facilities unless the project is needed for system reliability; and HB519 repealing the state's participation in the Regional Greenhouse Gas Initiative (RGGI).

4. Other

Mr. Perry recognized Lawrence Kelly's contribution to the Board, and asked for the Board's support of the following resolution:

“The Residential Ratepayers Advisory Board express our deep gratitude to Larry Kelly for his twelve years of service to the Board. Larry was one of the first Board members named in 1999 after the passage of RSA 363:28-a, which codified the Advisory Board. For twelve years Larry has made the trip down from Berlin in rain, sleet, snow and sun, in order to represent the interest of low income people on the Board. Larry served as Vice Chair from November 2003 until October 2004, when he became the Chair of the Board. He has worked with three Consumer Advocates and numerous Board members through important issues such as electric restructuring, the creation of the Electric Assistance Program (EAP) and the “Core” energy efficiency programs, various contentious cases with Verizon and then those related to its embattled successor, FairPoint, and many pieces of legislation, just to name a few. Through it all he has provided gentle leadership, combined with his sense of humor, to help guide the Board in its efforts to advise the OCA. Larry leaves big shoes to fill, both here at the OCA and at Tri-County CAP. We will miss him greatly and we wish him the best of luck with the battle ahead.”

The Board's next meeting is Monday July 11, 2011. Mr. Mailloux moved to adjourn the meeting, and Mr. Moses seconded the motion. The meeting was adjourned at 3:13 pm.