

Residential Ratepayers' Advisory Board

November 7, 2011 Meeting Minutes

Present for the Board:

Otis Perry, Chair
Claira Monier, Vice Chair
Thomas Moses
Deborah de Moulpied
Louis Paré
Ken Mailloux

Present for the OCA:

Meredith Hatfield
Rorie Hollenberg
Stephen Eckberg
Donna McFarland
Christina Martin

Guests:

Heidi Kroll, Gallagher Callahan & Gartrell
Amy Manzelli, Baldwin & Callen, PLLC
Deanna DeLucca, NHEC
Mark Dean, NHEC
Guy Ford, NHEC
Brenda Inman, NHEC

Mr. Perry declared a quorum present and called the meeting to order at 2:03 pm.

1. Minutes of September 12, 2011 Meeting

After introductions, the Board considered the draft minutes of the September meeting, with edits by Ms. de Moulpied. Ms. Monier moved to accept the minutes, and the motion was seconded by Mr. Mailloux seconded. The Board unanimously approved the September minutes as edited.

2. Case Activity Update

Ms. Hollenberg informed the board that the OCA Staff attempted to make the update more succinct, as the Board had requested. She then asked the Board if they had any questions on update. No questions were asked.

Ms. Hatfield arrived at 2:08 pm.

Ms. Hatfield then referred to several items in the Case Update, including:

DE PSNH 2012 Default Energy Service Rate: Ms. Hatfield explains that PSNH has filed for an "Alternative Default Service Rate" in an attempt to address some of the impacts of customer migration, and PSNH has proposed that they begin recovery of scrubber costs in both regular Default Service and the Alternative Default Service. Those costs would increase PSNH's energy service rate by over 1 cent/kWh.

DW 11-026 City of Nashua/Pennichuck Water Works: A hearing was held on a settlement agreement supported by most parties, and we now await the Commission's decision.

DW 10-090 & DW 10-091 Rate Case Expenses: Ms. Hatfield drew the Board's attention to the significant amounts of rate case expenses that Pennichuck Water Works, Pittsfield Aqueduct Company, and National Grid were allowed to recover from ratepayers in recent rate cases. Ms.

Hatfield pointed out that the recovery of these costs are in addition to the Company recovering all other costs of operating the utility. She also pointed out that these amounts are greater than the OCA's overall annual consulting budget, and in Grid's case, the amount (\$1.2 million) is more than the OCA's total annual budget for the agency. Mr. Perry asked if the rate case expenses were for outside consultants hired by the utilities. Ms. Hatfield responded yes, and some utilities are not using competitive processes and are instead using sole source contracts. Mr. Perry suggested that the costs of seeking a rate increase should be borne by shareholders, not ratepayers. Mr. Mailloux agreed. Ms. Hollenberg stated that the PUC was required to develop rules on rate case expenses several years ago, and that the Commission now says that it will soon begin a rulemaking proceeding for that purpose. She also said that the OCA had suggested that perhaps the costs could be shared between shareholders and ratepayers.

2012 Legislation: Ms. Hatfield said that LSRs are being made public, and there will be several energy bills. One will propose changes to the Renewable Portfolio Standard (RPS), which could include putting all renewables into one class.

Ms. Hatfield also mentioned that the SB323 Independent Study of Energy Issues has been completed. She said that OCA Staff will send a link to the "Key Recommendations" document that summarizes the Study's findings.

3. Presentation on Smart Meters by New Hampshire Electric Cooperative (NHEC)

Deanna DeLucca, VP of Corporate & Member Services of the NHEC, presented an overview of the NHEC's Smart Grid Project. Ms. DeLucca explained that one of the reasons for making the switch to the new meters was the failure of their communications system, which is supported by FairPoint. Ms. DeLucca then briefed the board about the specifics of the project, including the costs and the expected completion date. Ms. DeLucca pointed out that the "smart" part of "smart meters" is the customer – they give us a lot of information about our usage, but we must decide how to use it to our benefit. She also discussed the benefits of the new meters for identifying outages and helping with restoration. The Board engaged in a lively discussion about the costs and benefits of smart meters, including health and privacy issues and how the meters could be used to help customers manage and reduce their usage. Ms. DeLucca provided handouts to the Board with more information about the project and the NHEC. They are attached to these minutes.

The Board thanked the NHEC for their presentation.

4. Other Topics

Ms. Monier inquired as to why the state's two U.S. Senator were asking the federal government to review the recent storm-related outages. Ms. Hatfield stated that she was not sure because while FERC has jurisdiction over transmission, the distribution system is under state jurisdiction. She also stated that she understood that the PUC would be conducting an "after action review" of the recent October snow storm, including the utilities' response to it.

Ms. Monier moved to adjourn the meeting, and Mr. Mailloux seconded the motion. The meeting was adjourned at 3:38 pm.