

Residential Ratepayers' Advisory Board
September 12, 2011 Meeting Minutes

Present for the Board:

Otis Perry, Chair
Claira Monier, Vice Chair
Louis Paré
Dwayne Wrightsman
Thomas Moses
Joe Costello
Deborah de Moulpied
Dwayne Wrightsman

Present for the OCA:

Meredith Hatfield
Stephen Eckberg
Donna McFarland

Guest:

Heidi Kroll, Gallagher Callahan & Gartrell

1. Minutes of July 18, 2011 Meeting

Mr. Perry declared a quorum present and called the meeting to order at 2:03 pm. After introductions, the Board considered the draft minutes of the July meeting, with edits by Mr. Moses. Ms. de Moulpied moved to accept the minutes, and the motion was seconded by Mr. Paré. The Board unanimously approved the July minutes as edited.

2. Presentation on Northern Pass project by Society for the Protection of NH Forests

Will Abbott of the Forest Society presented the Society's positions and thought on Northern Pass, and discussed issues that he believes that the OCA should consider when determining the office's position on the Northern Pass project. Mr. Abbott explained that the Forest Society has opposed the project as proposed for several reasons, including: questions about how to determine whether the project is "in the public interest;" landowner rights issues including what is appropriate for the existing right of way and whether the use of eminent domain is appropriate; whether there are any environmental or emissions reductions benefits from the project; and what alternatives to the proposal should be considered in the federal permitting process. The Forest Society owns land and holds easements on property that will be impacted. Mr. Abbott said that the Forest Society believes that much more information about the proposal is needed before it can be fully reviewed. He also said that the federal Presidential Permit review process has been put on hold by DOE until Northern Pass provides additional information. He said that they agree with the Governor's statement that if the affected communities do not want the project, then it should not be built. Because New Hampshire is already a net exporter of energy to the rest of New England, he does not believe that the state needs the additional energy. While additional electricity may be needed for the region at some time in the future, especially as dirtier plants are retired, all alternatives should be considered, especially those that would allow New Hampshire and the U.S. to provide the power that we need. He urged the OCA to consider ratepayer impacts and benefits of the project, especially if a Power Purchase Agreement (PPA) is proposed between PSNH and Hydro Quebec. He pointed out that the project will provide major financial benefits to the owners, but that similar benefits to the state or to ratepayers have not been shown. Finally, he said that no Presidential Permit application has ever been denied, and the state Site Evaluation Committee has also never denied a project, so he has concerns about whether the project can be stopped.

Mr. Abbott provided two handouts to the Board with more information about the Forest Society's concerns about the project.

Jim Monahan of the Dupont Group, which works with the Forest Society and also represents the New England Power Generators Association (NEPGA) also raised that group's concerns with the project, which include ensuring a level playing field for the use of eminent domain by private companies; impacts on ratepayers; the fairness of long term contracts and whether they are available to all generators, and the relationship between PSNH and Northern Pass, which suggests that PSNH is promoting one energy project over others.

The Board discussed the fact that the OCA's concerns with any proposal filed at the PUC related to Northern Pass would focus on ratepayer impacts. Several Board members raised issues with the project related to impacts to landowners and the landscape, whether it will result in carbon reductions as the company has claimed, and what jurisdiction the state or local communities have over the project. The issue of the dire need for high speed internet access in the North Country was also noted. The Board thanked the guests for their presentations.

3. Case Activity Update

The Board agreed that the new format for the Update was useful. Ms. Hatfield reminded the Board that more information is available on each case on the PUC's website, and that OCA Staff is happy to provide more information on any case. The Board discussed several items in the Case Update, including:

DE 10-226 Environmental Disclosure of Electric Service Energy Sources

Ms. Hatfield briefly explained that as a result of legislation in 2010, utilities and competitive suppliers will soon be providing information to customers about the sources of their electricity and the environmental impacts of those sources. The information should be provided to customers annually, and on utilities' websites, in 2012.

DE 11-105 Unitil Petition for Declaratory Ruling and Approval of Adjustment to Certain Account Balances

Ms. Hatfield stated that RiverWoods at Exeter and Unitil settled the suit filed in Superior Court by RiverWoods to recover \$1.8 million in overcharges. The PUC proceeding is likely to pick up again as Unitil presumably still seeks to get approval to recover those costs from other customers.

DE 11-184 PSNH Request for Approval of PPAs with Wood IPPs

Ms. Hatfield discussed this new case, which involves short term contracts between PSNH and five of the six existing small wood plants. According to public testimony filed in the case, it is estimated that the over market costs of the contracts to ratepayers could be \$20 million. PSNH is also seeking to shift up to \$8.5 million per year in over market costs from the energy service rate to the distribution rate, so that those costs are paid by all ratepayers, including those who have left PSNH's energy service to purchase their electricity from a competitive supplier. The parties have requested an expedited schedule with hearings in November.

DRM 10-296 Puc 1200 Rules Amendments Relative to Medical Protection from Disconnection

Ms. Hatfield reported that the Joint Legislative Committee on Administrative Rules (JLCAR) voted to conditionally approve the draft rules, which were developed through a stakeholder process at the PUC. The OCA will work with the PUC to inform the public about the changes to the rules. The OCA will also provide information to the Board when it is developed.

Electric Assistance Program

Ms. Hatfield pointed out that there are no customers on the waiting list for EAP as a result of program changes made this year to reduce enrollment in light of budget limitations. Mr. Eckberg pointed out that the changes to the program have impacted EAP participants, in that the 5% discount tier was eliminated, and there is now a cap on usage of 700 kWh per month for the EAP discount, so that usage above that amount no longer receives the discount. Ms. Hatfield stated that average residential use is approximately 650 kWh per month.

4. Process Related to Expiration of Consumer Advocate's term

Mr. Perry reminded the Board that Ms. Hatfield's term as Consumer Advocate expires in November. He stated that the Board must decide whether to recommend that she be reappointed to the Governor, who then decides whether to bring her name forward to the Executive Council for confirmation. If the Board does not recommend reappointment, or if the reappointment is not confirmed, the Board must put forward three candidates for consideration.

Mr. Perry stated that Ms. Hatfield provided a letter of interest and other materials to the Board in August. He provided a proposed resolution recommending reappointment of Ms. Hatfield. Ms. Monier suggested a few corrections and made a motion to adopt the resolution. Mr. Costello seconded the motion. Ms. Monier commended Ms. Hatfield for her work for the OCA over the last five years, including her ability to manage a large number of complex issues on behalf of ratepayers. Mr. Paré and other Board members agreed. Mr. Perry stated that he had received emails and phone calls from several individuals in support of Ms. Hatfield's reappointment, and he said that Mr. Mailloux, who was not in attendance, also expressed his support. Mr. Costello stated that Ms. Hatfield had been particularly helpful in helping him learn about the Board when he joined. Mr. Perry called for a vote and the Board voted unanimously to recommend reappointment. Mr. Perry said that he would make the suggested changes to the resolution and send it with a letter to the Governor requesting reappointment. Mr. Eckberg thanked the Board for its vote and stated his support for Ms. Hatfield's reappointment.

5. Other Topics

Ms. Hatfield reported that representatives of the NH Electric Coop will attend the November Board meeting to discuss its project to provide smart meters to all of its customers. The Board's next meeting is Monday November 7, 2011 at 2:00pm.

Mr. Wrightsman moved to adjourn the meeting, and Ms. Monier seconded the motion. The meeting was adjourned at 3:30 pm.