

Residential Ratepayers' Advisory Board
January 23, 2012 Meeting Minutes

Present for the Board:

Otis Perry, Chair
Claira Monier, Vice Chair
Dwayne Wrightsman
Deborah de Moulpied
Thomas Moses
Joseph Costello

Present for the OCA:

Meredith Hatfield
Rorie Hollenberg
Stephen Eckberg
Christina Martin

Mr. Perry called the meeting to order at 2:04 pm.

1. Minutes of December 12, 2011 Meeting

The Board considered the draft minutes of the December meeting. Ms. Monier moved approval, seconded by Mr. Costello. The Board unanimously approved the December minutes as drafted, with all portions of the minutes public.

2. Process Related to Expiration of Consumer Advocate's Term

The Board discussed the need to proceed with efforts to identify candidates for Consumer Advocate. Mr. Perry reminded the Board that a subcommittee has been appointed, which includes Ms. Monier, Mr. Costello and Mr. Moses. The subcommittee requested that information related to the Consumer Advocate job description and draft advertisement be re-sent to the full Board. The subcommittee will review the materials and begin the search process. The Board discussed potential avenues to publicize the position, including websites and print media. OCA Staff stated their willingness to assist the Board in the advertisement process. Mr. Perry also told the Board that Atty. Lynmarie Cusack at the Attorney General's office can be a resource to the Board during the search, and can answer legal questions and help with compliance with RSA 91-A, the Right-to-Know law.

3. Case Updates

The Board reviewed the case update and discussed a few of the active cases, including FairPoint's request to recover costs related to local property taxes from their customers, and the PSNH case to allow the company to begin recovering the costs of the mercury scrubber from ratepayers. The case update can be found at <http://www.oca.nh.gov/OCA%20Activity.htm>.

4. 2012 Legislation

Ms. Hatfield reviewed a list of utility-related legislation that is under consideration in the current legislation. A copy of the legislative list is available at <http://www.oca.nh.gov/OCA%20Activity.htm>.

Ms. Hatfield noted that the office's capacity to cover legislative issues will be very limited if the Consumer Advocate is open for any period of time.

5. Opportunity for Public Input

Several guests from the New England Power Generator's Association (NEPGA) joined the Board meeting to ask for the Board's support for HB1238, which would require that PSNH divest its generation assets by December 1, 2013. The bill requires that PSNH file a divestiture plan at the PUC by October 15, 2012. NEPGA representatives explained that NEPGA is a regional trade association that represents privately-owned merchant (non-utility) electric generating plants in New England. Their members represent 2/3 of the generating capacity in New Hampshire, and approximately 85% of the capacity in the region. NEPGA stated their support for divestiture and for HB1238. NEPGA stated that they believe that it is time that the state finally moved away from a utility monopoly on generation so that all generation in the state would be subject to market forces. NEPGA also referenced the cost shifting that is resulting from the migration of some PSNH customers, and that divestiture would end those issues. They believe that divestiture will result in lower rates to customers, as evidenced by the fact that PSNH has the highest rates in the state due to the costs of operating their generating plants. NEPGA suggested that there are three options for PSNH's plants: sale, retirement, or Northeast Utilities (PSNH's parent company) could purchase them and run them in an affiliate so that NU shareholders, rather than PSNH customers, would take the risks and rewards of operating the plants. NEPGA stated that the ISO-New England electricity market is functioning well, and that all states should be fully participating. There was brief discussion of how Unitil and National Grid purchase electricity from the market several times each year in order to provide default energy service to their customers, because those utilities divested their interests in generation after the restructuring law was passed in 1996. Finally, NEPGA stated that it is important to act now before more ratepayer dollars are spent on PSNH's aging fleet, and before migration causes even more cost shifting to residential customers.

Ms. Hatfield suggested that the Board might want to hear from PSNH about their views on the bill, and on divestiture generally. The Board agreed, and Mr. Perry asked Ms. Hatfield to invite PSNH to the next Board meeting. The Board thanked NEPGA for attending, and explained that the Board was not ready to take a position on the bill at this time.

Mr. Costello moved to adjourn the meeting, and Ms. Monier seconded the motion. The meeting was adjourned at 3:38 pm. The next meeting is Monday March 5, 2012 at 2:00.