

Residential Ratepayers' Advisory Board
December 6, 2010 Meeting Minutes

Present for the Board:

Lawrence Kelly, Chair
Otis Perry, Vice Chair
Claira Monier
Louis Paré
Richard Russman
Dwayne Wrightsman
Deborah de Moulpied

Present for the OCA:

Meredith A. Hatfield, Consumer Advocate
Kenneth E. Traum, Assistant Consumer Advocate
Stephen R. Eckberg
Christina Martin
Rorie E.P. Hollenberg

Invited Guests:

Anne Bartosewicz, Northern Pass Transmission
Patrick McDermott, PSNH
Lisa Shapiro, Ph.D., Gallagher, Callahan & Gartrell

1. Minutes

Mr. Kelly declared a quorum and called the meeting to order at 2:04 pm. He asked for comments and revisions to the draft minutes of the August meeting. Hearing none, Mr. Kelly asked for a motion to accept the minutes as drafted. Ms. Monier moved to accept. Mr. Paré and Mr. Wrightsman seconded. A vote followed, unanimously approving the draft minutes without revision. Introductions followed.

2. Northern Pass Transmission Project Presentation

Ms. Bartosewicz, Mr. McDermott and Ms. Shapiro spoke to the Board about the Northern Pass Transmission Project, a proposed new direct current transmission line that would import electricity from Hydro-Quebec's (H-Q) hydroelectric system to New England's electricity grid.

The presentation included information about the genesis and implementation of the project including the expected regulatory filings and approval processes, the current negotiation of a long-term purchase power agreement between PSNH and H-Q, the federal and state policy considerations related to renewable electric generation, and the financial and other benefits of the project to New Hampshire and the New England region.

All Board members present participated in the discussion through questions. Ms. Monier asked about prior agreements between PSNH and H-Q and the status of small New Hampshire hydroelectric generation. Mr. Perry and Ms. de Moulpied asked for details about the source of the

generation and environmental impacts of the project. Mr. Russman and Mr. Paré questioned the benefits that would inure to New Hampshire as opposed to other states in the region. Ms. de Moulpied asked about expected environmental and societal costs, including the CO₂ impact of construction and the negative impact of the proposed transmission line on real property values, recreation and tourism. Ms. de Moulpied asked about where the power will be used (*i.e.*, New Hampshire or other states in the region). Mr. Perry asked for clarity about the relationship between the various entities involved with the project including Northeast Utilities, PSNH, and H-Q.

In response to Board questions, the presenters assured the Board that the project did not depend upon new generation sources in Quebec, and that the costs of the project would not be borne by PSNH rate payers. The presenters conveyed their expectations that the project would increase the reliability of the electric grid, put competitive pressure on and reduce electric rates in New Hampshire, and result in the creation of thousands of local jobs, millions of dollars in property tax revenue, and environmental benefits of increased reliance upon renewable energy and reductions in CO₂ emissions. The presenters also described the financial, environmental and regulatory benefits to PSNH and its ratepayers of a potential long-term purchase power agreement (PPA) between PSNH and H-Q. The group expects the regulatory approval process to take approximately two years to complete and the construction of the new transmission line to take approximately three years, presently putting the targeted in-service date in 2015. The PUC's review of a PPA, if one is proposed, would also need to take place during that timeframe as well. At the conclusion of their presentation, the presenters distributed a packet of information to each Board member and to representatives of OCA.

- **Action Item – The OCA will send Board members information on the Northern Pass Transmission Project email distribution list.**

3. DT 02-221, 603 Area Code Exhaustion Proceeding

Ms. Hatfield briefly summarized her memorandum dated November 29, 2010 about this new adjudicatory proceeding at the Commission. Ms. Hatfield next invited Board member comments about the possible options for addressing the expected exhaustion of the 603 area code: a geographic split and a distributed overlay.

Mr. Perry spoke in favor of the geographic split because he believes that it would be better for consumers. Mr. Russman spoke in favor of a distributed overlay as a simpler approach that would avoid the process required to determination which part of the state would retain the 603 area code under the geographic split approach. Mr. Kelly, Ms. Monier, Ms. de Moulpied, Mr. Wrightsman and Mr. Paré also favor a distributed overlay solution. Ms. Martin stated that Mr. Moses, who was unable to attend the meeting, asked that she convey his support for the distributed overlay approach. Ms. de Moulpied questioned whether a distributed overlay would result in a change in local calling areas (*i.e.*, whether the overlay would cause currently local calls to become in-state long-distance calls). The OCA stated that it had no reason to believe that the area code solution would impact or change local calling areas or local rates. Based upon this understanding, the Board recommended that the OCA support the distributed overlay solution.

4. Case Updates

Ms. Hatfield called to the Board's attention docket DE 10-195, which concerns a proposed long-term purchase power agreement (PPA) between PSNH and Laidlaw Berlin BioPower, LLC. Ms. Hatfield briefly explained the Commission's recent decision, pursuant to RSA 91-A, requiring PSNH to disclose to the public all of the terms of the PPA. Ms. Hatfield stated that the now-public information indicates that the proposed price is hundreds of millions of dollars over market over the 20-year period of the proposed PPA. Ms. Hatfield also mentioned the upcoming deadline for the filing of testimony of intervenors, PUC Staff and the OCA on December 17.

5. Other Business

Ms. Hatfield called to the Board's attention the proposed dates for meetings in 2011 (at the bottom of the agenda). Mr. Russman moved to adjourn the meeting. Mr. Wrightsman seconded. The meeting was adjourned at 4:10 pm.