

Residential Ratepayers' Advisory Board
February 7, 2011 Meeting Minutes

Present for the Board:

Lawrence Kelly, Chair
Otis Perry, Vice Chair
Claira Monier
Richard Russman
Louis Paré
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
Daniel Abelson

1. Minutes of December 2010 Meeting

Mr. Perry declared a quorum and called the meeting to order at approximately 2:05 pm. He asked for any comments and revisions to the draft minutes of the December meeting. Hearing none, Mr. Perry asked for a motion to accept the minutes as drafted. Ms. Monier moved to accept the minutes, and Mr. Russman seconded the motion. The Board unanimously approved the minutes.

Ms. Hatfield introduced the OCA's legal intern, Daniel Abelson, to the Board. Daniel is a third year student at the UNH School of Law and will be with us for the spring semester.

Ms. Hatfield also called the Board's attention to the fact that Gloria Seldin, a former Board member, passed away recently. The Board remembered her fondly for her advocacy on behalf of seniors and for her many years of public service.

2. Case Activity Update

The Board discussed several items on the Case Update list:

DE 11-014 NU/NSTAR Merger

Ms. Hatfield briefly described the Commission's investigation of a proposed merger of Northeast Utilities, the parent of Public Service Company of NH (PSNH), with NSTAR, a public utility holding company with regulated utility subsidiaries in Massachusetts. Ms. Hatfield explained that the Commission's focus at this time is the extent of its jurisdiction over the transaction. Ms. Monier and Mr. Wrightsman mentioned receiving calls from a newspaper reporter about the

transaction when it was announced late last year. Mr. Moses asked how he and other Board members should handle press inquiries, and whether they should be directed to the OCA or to Larry Kelly as Board Chair. Ms. Hatfield offered the assistance of the OCA, including either responding directly to press inquiries, or providing information for the Board member to use in his or her response to press inquiries.

DE 10-121 PSNH 2009 Reconciliation of Energy Service and Stranded Cost Recovery Charges

Mr. Perry asked for clarification of the disallowance included in the settlement agreement filed in this case, and whether it was \$254.00. Ms. Hatfield confirmed that the amount was \$254.00.

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

Mr. Perry asked about Concord Steam's involvement in, and withdrawal from, this proceeding. 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.

DT 10-125 FairPoint Reorganization

Mr. Perry asked about FairPoint's recovery of its bankruptcy costs, and whether those costs would result in increased rates. Ms. Hatfield referred to the settlement agreement approved in the Verizon/FairPoint merger proceeding (DT 07-011), which requires FairPoint to refrain from seeking an increase to basic telephone rates for a period of five years.

DW 04-048 Pennichuck Water Works, Nashua's Petition for Valuation pursuant to RSA 38:9 (Eminent Domain)

Mr. Perry asked about the status of the proposed acquisition of Pennichuck Corporation by the City of Nashua. Pennichuck Corp. is the parent of three NH water utilities and two unregulated subsidiaries, one of which – The Southwood Corporation – owns watershed property in Nashua and its vicinity. In particular, Mr. Perry inquired about whether the Commission would continue to regulate the Pennichuck utilities' service to customers who live outside of Nashua. Ms. Hollenberg and Mr. Eckberg explained their understanding that the proposal included continued Commission regulation over all of the customers of the Pennichuck utilities. Ms. Hollenberg also explained the structure of the proposed deal, which includes Nashua's acquisition of the shares of Pennichuck Corp. Mr. Perry also asked about any impact of fluoridation as a result of the acquisition. Mr. Eckberg stated that issue doesn't fall under the purview of the PUC, but instead is governed by a separate state statute.

D__ 11-__ National Grid NH and Algonquin Merger

Ms. Hatfield mentioned the announcement late last year of the proposed acquisition of National Grid NH (Granite State Electric Company and Energy North Natural Gas) by a subsidiary of Algonquin Power, a Canadian company. The proposal is expected to be filed at the end of February, which will start the docket.

Ms. Hatfield drew the Board's attention to three new Rulemaking Dockets at the Commission:

DRM 10-216 PSNH Petition for Net Metering Rules

This implements recent changes to the net metering law for small renewable systems.

DRM 10-296 Puc 1200 Rules Relative to Utility Disconnection 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 identified several proposals in the medical emergency rule proceeding including the use of longer (i.e., greater than 90 days) authorization periods, the use of technology to simplify and expedite the registration and renewal of medical emergency certifications (by physicians and other authorized health providers), and the idea of encouraging customers to provide third party contacts when possible to assist in medical emergencies. Ms. Hatfield also described generally PSNH's recent proposal to incorporate into the medical emergency certification process an assessment of financial need. The rulemaking will take place over the next few months.

DRM 11-____ Puc 200 Rules Related to Routine Confidential Filings

This rulemaking is necessary to implement the repeal of the RSA 378:43, which was a special exemption from the Right-to-Know law (RSA 91-A) for telecommunications utilities. Those companies, like all other utilities, now must follow the procedures under 91-A to have confidential information protected from public disclosure. The new rules will help facilitate that process.

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 144, which would repeal the "PACE" law enabling municipalities to create and fund energy efficiency and clean energy districts; HB519 repealing the state's participation in the Regional Greenhouse Gas Initiative (RGGI); 2011-S-0941-R regarding the utility property tax; HB 293 and 2011-S-0761-R regarding exemptions for water and air pollution control facilities from property taxes; and HB 302, which would allow large hydro to qualify under the state's renewable energy portfolio (RPS) law.

4. Northern Pass Project

Mr. Paré asked about the status of the Hydro Quebec/Northern Utilities Northern Pass Project. Ms. Hatfield explained that there are numerous regulatory reviews that will occur, including the Department of Energy's Presidential Permit (involving permission of the U.S. Government for the crossing of the proposed transmission line across the U.S./Canada border). Ms. Hatfield offered to send the Board a general list of the approvals that must occur.

- **Action Item – the OCA will send the Board a list of the regulatory approvals/proceedings required for the Northern Pass Project.**

The Board discussed the role of the OCA in the regulatory review of the Northern Pass Project. Ms. Hatfield explained that the OCA will represent residential customers at the PUC proceedings involving Northern Pass, particularly cases involving increases to rates. Ms. Hatfield explained that an attorney at the NH Attorney General's Office will act as Public Counsel to represent the broader public interest in the proceeding at the Site Evaluation Committee. The OCA's role will focus on the Commission's review of any power purchase proposal, the costs of which would be paid by New Hampshire residential ratepayers. However, as Board members pointed out, that will happen far along in the overall permitting process.

Ms. de Moulpied distributed written materials she received at the Farm and Forest Exposition on the Northern Pass Project as well as articles from the Montreal Gazette concerning Hydro Quebec's supply and rates. The Board discussed the presentation at the last Board meeting by PSNH and Northern Pass on the merits and benefits of the new transmission line, and debated the value of inviting a speaker to present the risks associated with the project. Ms. Hatfield stated that it is important that any group presenting to the Board understands that the OCA's role in the process is limited to issues that come before the PUC. The Board discussed the idea of taking a position on the project, and Mr. Perry cautioned that we must limit our positions to ratepayer issues, not those that are only related to the environment or landowner issues. Mr. Kelly stated that he would work with Ms. Hatfield to identify someone to speak to relevant issues at a future meeting. Ms. Hatfield also reminded Board members that they can get involved in other processes if they wish, outside of the Board.

5. Other

Ms. Hatfield called to the Board's attention the proposed dates for meetings in 2011 (at the bottom of the agenda). The Board's next meeting is Monday April 4, 2011. Ken Mailloux moved to adjourn the meeting, and Clair Monier seconded the motion. The meeting was adjourned at 3:20 pm.