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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

August 15, 2006 - 11:06 a.m.
Concord, New Hampshire

RE: DG 06-098
NORTHERN UTILITIES, INC.:
2006 Long-Range Integrated Resource Plan.
(Prehearing conference)

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Graham J. Morrison
Commissioner Clifton C. Below

Diane Bateman, Clerk

APPEARANCES: Reptg. Northern Utilities, Inc.:
Patricia French, Esq.

Reptg. KeySpan Energy Delivery New England:
Steven V. Camerino, Esq.

Reptg. Residential Ratepayers:
Rorie Hollenberg, Esq.
Office of Consumer Advocate

Reptg. PUC Staff:
Edward N. Damon, Esq.

Court Reporter: Steven E. Patnaude, CCR

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STATEMENTS OF PRELIMINARY POSITIONS BY:

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1 **MR. CAMERINO:** Good morning,
2 Commissioners. Steve Camerino, from McLane, Graf,
3 Raulerson & Middleton, on behalf of KeySpan Energy
4 Delivery New England.

5 **CHAIRMAN GETZ:** Good morning.

6 **CMSR. MORRISON:** Good morning.

7 **CMSR. BELOW:** Good morning.

8 **MS. HOLLENBERG:** Good morning. Rorie
9 Hollenberg and Kenneth Traum, here on behalf of the Office
10 of Consumer Advocate.

11 **CMSR. BELOW:** Good morning.

12 **CMSR. MORRISON:** Good morning.

13 **CHAIRMAN GETZ:** Good morning.

14 **MR. DAMON:** Good morning, Commissioners.
15 Edward Damon, for the Staff. And, with me this morning
16 are Stephen Frink and Robert Wyatt.

17 **CHAIRMAN GETZ:** Good morning.

18 **CMSR. MORRISON:** Good morning.

19 **CMSR. BELOW:** Good morning.

20 **CHAIRMAN GETZ:** Before we hear the
21 statements of the positions, are there any objections to
22 any of the Petitions to Intervene?

23 **MS. FRENCH:** No objection.

24 **CHAIRMAN GETZ:** Okay. Hearing no

1 objections, and recognizing that the Hess Corporation and
2 KeySpan have demonstrated rights, duties, privileges or
3 other interests that would be affected by the proceeding,
4 we grant the Petitions to Intervene.

5 If there's nothing else, then we will
6 turn to the Applicant, Ms. French.

7 **MS. FRENCH:** Thank you, Mr. Chairman.
8 As you indicated in the order of notice, the Company filed
9 this petition and the IRP to satisfy terms that were
10 stated in the stipulation in docket DG 05-80. And --
11 05-080. And, Northern looks forward to working with the
12 Staff and the parties as they progress in their
13 investigation and review of the complex matters that are
14 contained in the filing. Northern's put an awful lot of
15 work into preparing the filing, and believes that it
16 comprehensively describes the resource planning process
17 it's undertaken and the plan that it has for its resource
18 solicitation process in the next six years.

19 It also encompasses the complicated
20 matter of the capacity reserve. And, I believe that is
21 probably the basis for the intervention of the KeySpan
22 entity. And, we look forward to working with KeySpan and
23 the parties in resolving that issue as part of this
24 docket.

1 **CHAIRMAN GETZ:** Thank you. Mr.
2 Camerino.

3 **MR. CAMERINO:** Thank you, Mr. Chairman.
4 KeySpan has intervened, as indicated in its Petition to
5 Intervene, because one of the subjects in this docket is
6 the capacity reserve margin for Northern. There was a
7 prior docket to which KeySpan was made a mandatory party
8 on that very subject. When there was a technical session
9 held in that docket -- and that issue was then moved to
10 this docket, with regard to Northern. When there was a
11 technical session held in that prior docket, KeySpan made
12 it clear that it felt that the issue of the capacity
13 reserve margin should be dealt with separately for the two
14 companies. But the Staff, for understandable reasons,
15 indicated that there was the potential that how that issue
16 was resolved for Northern could have significant
17 precedential value for KeySpan.

18 And, so, KeySpan would like to monitor
19 this docket in order to track that issue, and, to the
20 extent necessary, provide input related to that issue. We
21 continue to be hopeful that the issue will be dealt with
22 separately for the two companies, but we felt the need
23 just to monitor this docket.

24 **CHAIRMAN GETZ:** Thank you.

1 Ms. Hollenberg.

2 **MS. HOLLENBERG:** Thanks. The Office of
3 Consumer Advocate is very interested in this docket for
4 two reasons. It recognizes that reliability is important,
5 but wants to make sure that the parties and Staff keep in
6 mind that it's important to balance reliability against
7 costs. And, we're also interested in a resolution of the
8 capacity reserve issues. And, we look forward to working
9 with the parties. Thank you.

10 **CHAIRMAN GETZ:** Thank you. Mr. Damon.

11 **MR. DAMON:** Thank you. Staff and the
12 OCA attended an initial case conference and technical
13 conference in Maine Public Utilities Commission Docket
14 Number 2006-390, which was conducted by the Maine Public
15 Utilities Commission staff at Portsmouth on August 2, as
16 reflected in the order of notice in this docket. In
17 accordance with Maine practice, a court reporter was
18 present to transcribe the proceedings. And, it is
19 anticipated that the transcript would comprise part of the
20 record in both the Maine and the New Hampshire dockets. A
21 partial procedural schedule was established pursuant to a
22 Maine PUC order issued after the August 2 session, as
23 follows: Deadline for discovery on Northern's filing, and
24 I would say that that is the initial round, was

1 established for August 23rd. Discovery responses due on a
2 rolling basis, but no later than September 8. And, a
3 technical -- And, another technical conference and
4 technical session for September 19. The participants at
5 the August 2 session agreed that the level and measurement
6 of Northern's reserve capacity will have first priority at
7 the September 19 session, with other matters to be
8 addressed, time permitting.

9 Staff recommends in this docket that
10 this partial procedural schedule be adopted in this docket
11 as well. With a proposal for additional procedural steps
12 to be filed with the Commission after the September 19
13 joint technical conference and technical session. This
14 procedural schedule will help optimize the coordination of
15 this docket with the capacity reserve charge docket, DG
16 06-033. And, in connection with that, the Staff
17 recommends that the intervenor in DG 06-033, that is
18 National Gypsum, be notified of the September 19 technical
19 session in this docket, in case they should have an
20 interest in appearing or participating in some way in
21 that.

22 Second, the Staff would recommend that
23 the proposed revised procedural schedule in docket DG
24 06-033 be submitted to the Commission following the

1 September 19 session.

2 The Staff has already issued a first
3 round of discovery on Northern by letter dated August 8,
4 2006. The Maine Public Utilities Commission order, in its
5 initial order, expresses a desire for separate hearings on
6 Northern's IRP, with coordinated discovery and technical
7 conferences and sessions between the Maine parties and the
8 New Hampshire parties. And, Staff would support that
9 concept as well. On the merits, Staff certainly expects
10 to conduct a thorough and comprehensive review of
11 Northern's filing.

12 Two other matters that I think may be
13 appropriate for a discussion today. First, Northern filed
14 two amendments to its IRP with the Maine Commission, and I
15 recommend that they be filed in this docket as well or
16 treated as being filed in this docket as well. And, I'm
17 referring here to their Schedules IV-2 and 5. Also,
18 Northern has a motion for protective order that's pending
19 in this docket. And, Staff has reviewed that and does not
20 object to that, on the usual caveat that, should
21 circumstances in the future dictate, the Commission could
22 reconsider that.

23 **CHAIRMAN GETZ:** Thank you. Is there any
24 response to Mr. Damon's recommendations?

1 **MS. FRENCH:** Thank you, Mr. Chairman.
2 I'll just indicate for the record that the revisions to
3 IV-2 and 5 are nonsubstantive revisions. So, I will make
4 sure that those are filed promptly and update the filing
5 that's on record right now with the Commission. And, with
6 regard to the joint hearing process that Northern first
7 recommended, I think Northern still believes that a joint
8 hearing process makes sense. But the Maine Commission has
9 indicated, and obviously Staff agrees, that a coordinated
10 collection of evidence might make more sense, in terms of
11 efficiency. Northern's just concerned that the outcome of
12 the orders be coordinated in such a way so that Northern
13 can implement the recommendations of both Commissions in a
14 way that make sense for the total portfolio, the joint
15 portfolio, and that is the reason behind the request for
16 joint hearings. But, just so long as the outcome reflects
17 that, Northern would agree with it.

18 That's all I have. Thank you.

19 **CHAIRMAN GETZ:** Anyone else?

20 (No verbal response)

21 **CHAIRMAN GETZ:** Well, let me just ask
22 this question. Normally, we would hear back from the
23 parties after the tech session in writing with a
24 recommendation with respect to procedure, scope, etcetera.

1 Is that still necessary or is the proposal by Mr. Damon
2 sufficient that we can take that under advisement and act
3 on what was orally submitted today?

4 **MS. FRENCH:** The proposal --

5 **CHAIRMAN GETZ:** With respect to -- I
6 think Mr. Damon was outlining a procedural schedule. I'm
7 just trying to see if we need to save a step and have the
8 one more writing to us about what kind of procedure we
9 should adopt.

10 **MR. DAMON:** Yes. Because the Maine
11 Commission had previously scheduled the session for August
12 2, and the New Hampshire staff wanted to be present at
13 that, one of the topics at that session was a procedural
14 schedule. So, in this docket, a technical session to
15 follow was purposely not included in the order of notice.
16 The idea being that there would be joint technical
17 conferences/sessions between the two states. So, the
18 order -- the usual order of things have been changed a
19 bit. But I have set forth what I think is a suitable
20 procedural schedule for this docket, partial procedural
21 schedule.

22 **CHAIRMAN GETZ:** Okay.

23 **MS. FRENCH:** And, Mr. Chairman, with
24 regard to Maine practice, the technical sessions in Maine

1 are on the record. They're not under oath, but, clearly,
2 the prior inconsistent statement, were the Company to say
3 something that later, you know, proved to be in contrast
4 to something that was said during a technical session, and
5 the Maine staff and the Commission look to those, the
6 results of those, the responses to answers, the papers
7 that are handed out, any discourse, any data requests that
8 come after it as evidence to make the determination that
9 ends up in their orders. So, that would be, I would
10 submit, relevant evidence for Staff to use in creating its
11 -- whatever advice it provides to the Commission or
12 recommendation it makes.

13 **CHAIRMAN GETZ:** Okay. Thank you. Is
14 there anything else this morning?

15 **MS. HOLLENBERG:** I would just say, on
16 behalf of the OCA, it suffices to go with the Staff's
17 recommended procedural schedule.

18 **CHAIRMAN GETZ:** Okay. All right. Then,
19 we will close the prehearing conference and take the
20 matter under advisement. Thank you.

21 **(Whereupon the prehearing conference**
22 **ended at 11:19 a.m.)**