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June 7, 2012

To: Commissioners

From: Alexander Speidel, Hearings Examiner

Re: Docket No. DE 12-116, Public Service Company of New Hampshire
Reconciliation of Energy Service and Stranded Costs for Calendar Year 2011
Prehearing Conference



HEARING EXAMINER'S REPORT

At your request, I presided over the June 5, 2012 prehearing conference in the above-captioned docket. The prehearing conference was held pursuant to an Order of Notice issued in Docket No. DE 12-116 on May 7, 2012.

Ancillary Procedural Matters

The affidavit of publication was filed on May 29, 2012.

The Office of Consumer Advocate filed a letter on May 9, 2012 stating that it would participate in this docket on behalf of residential ratepayers.

Appearances

Public Service Company of New Hampshire (PSNH) by Sarah Knowlton, Esq.

Office of Consumer Advocate (OCA) by Rorie Hollenberg, Esq.

Commission Staff by Suzanne Amidon, Esq.

Orr & Reno, P.A. by Douglas Patch, Esq. on behalf of TransCanada Power Marketing Ltd. and TransCanada Hydro Northeast (collectively, "TransCanada"), to argue in favor of the TransCanada petition to intervene, filed on May 31, 2012.

Intervention Requests, and Related Positions of the Parties

Aside from TransCanada, PSNH, OCA, and Staff, no parties appeared at the prehearing conference.

TransCanada provided oral argument in support of its petition to intervene in this proceeding. In addition to the arguments presented within its written petition, TransCanada argued that: the Commission had approved past petitions to intervene by TransCanada in PSNH reconciliation dockets; that all PSNH dockets before the Commission have interrelated impacts on competitive electricity market participants, including TransCanada; and that TransCanada, as such a market participant, had standing to propound discovery regarding the prudence of PSNH's operations in 2011, including PSNH's supplemental power purchases and use of its own generation resources during the year.

PSNH opposed TransCanada's petition to intervene, as stated in its written objection to TransCanada's petition filed on June 5, 2012. In addition to the arguments presented within its written objection, PSNH orally argued that: TransCanada's arguments in favor of being granted intervenor status were conclusory reiterations of TransCanada's status as a competitor of PSNH, a position asserted by PSNH to have been undermined by past statements by TransCanada officials in other proceedings, and lacking sufficient collateral descriptions of the potential harms to TransCanada that could result from being denied intervenor status; TransCanada's inclusion as an intervenor in this proceeding could lead to disruptions in the orderly administration of the proceeding though expansion of the subject matter of the docket driven by TransCanada's own agenda; and an overall concern by PSNH that TransCanada was seeking "bootstrapped" intervenor status on the basis of mere participation in other dockets involving PSNH, rather than the merits for TransCanada's participation in this particular reconciliation proceeding.

OCA stated that it had no objection to TransCanada's petition to intervene.

Staff stated that it had no position regarding TransCanada's petition to intervene.

Preliminary General Positions of the Parties

PSNH noted that it looked forward to answering questions propounded by other parties in discovery, and the development of a procedural schedule in this docket, together with the issuance of a Commission Order for the disposition of this matter by the end of the year 2012.

OCA indicated that it had no initial position regarding this matter.

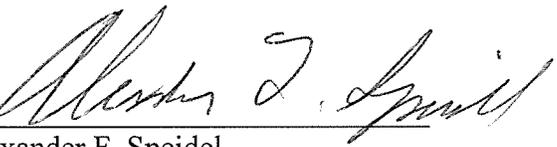
Staff also indicated that it had no initial position regarding this matter, but did note that it planned to develop a procedural schedule with PSNH and OCA at the technical session scheduled after the prehearing conference, and that it would propound discovery requests during the course of this proceeding. Staff also noted that it would file a proposed procedural schedule for this docket soon after the technical session.

Hearing Examiner's Recommendations (Re: Intervention Request and Scope of the Docket)

I have reviewed TransCanada's petition to intervene, PSNH's written objection to same, and Order No. 25,132 (July 20, 2010), granting TransCanada's petition to intervene in the calendar

year 2009 reconciliation docket for PSNH, DE 10-121 (cited by TransCanada in support of its petition). As outlined by the Commission in Order No. 25,132, I would recommend that TransCanada's motion to intervene be granted, pursuant to the mandatory intervention standard of RSA 541-A:32, I, as TransCanada has demonstrated that its "rights, duties, privileges, immunities or other substantial interests may be effected by the proceeding," as a competitor of PSNH with a substantial economic interest that may be effected by the proceeding in DE 12-116.

However, the Commission may find it advisable to issue a procedural Order limiting the scope of this docket along the same general lines as those delineated in Order No. 25,132, with the Order of Notice for DE 12-116 serving as an additional template. To that end, the Commission could rule that issues regarding PSNH's planning process or forecasts of power needs, costs or related factors would be addressed in a future energy service rate setting docket or LCIRP, as appropriate, and excluded from the scope of the instant proceeding, which would be more appropriately used as a retrospective analysis of revenues and expenses associated with PSNH's stranded cost recovery and its power generation and supplemental power purchases for 2011.

By 
Alexander F. Speidel
NHPUC Hearings Examiner

Cc: Service List
Docket File