

1 **STATE OF NEW HAMPSHIRE**2 **PUBLIC UTILITIES COMMISSION**3 **August 18, 2016 - 1:35 p.m.**
4 Concord, New Hampshire

NHPUC SEP01'16 PM 3:17

5 RE: **DE 16-674**6 **MOTION BY CLIFTON BELOW:**
7 **Motion to Correct Errors in PUC**
8 **Determinations of Avoided Costs.**
 (Prehearing conference)9 **PRESENT:** Chairman Martin P. Honigberg, Presiding
10 Commissioner Robert R. Scott
11 Commissioner Kathryn M. Bailey

12 Sandy Deno, Clerk

13 **APPEARANCES:** Clifton Below, *pro se*14 **Reptg. Liberty Utilities, Inc.:**
15 Michael J. Sheehan, Esq.16 **Reptg. Unitil Energy Systems, Inc.:**
17 Gary Epler, Esq.18 **Reptg. Public Service Co. of New**
19 **Hampshire d/b/a Eversource Energy:**
20 Matthew J. Fossum, Esq.21 **Reptg. Residential Ratepayers:**
22 Donald M. Kreis, Esq., Consumer Adv.
23 Office of Consumer Advocate24 **Reptg. PUC Staff:**
 David K. Wiesner, Esq.
 Thomas Frantz, Director/Electric Div.
 Liz Nixon, Electric Division
 Stephen Eckberg, Sustain. Energy Div.

Court Reporter: Steven E. Patnaude, LCR No. 52

 **ORIGINAL**

I N D E X**PAGE NO.****STATEMENTS OF PRELIMINARY POSITION BY:**

Mr. Below	5, 8
Mr. Sheehan	8
Mr. Epler	8
Mr. Fossum	9
Mr. Kreis	9
Mr. Wiesner	10

QUESTIONS BY:

Chairman Honigberg	7
--------------------	---

P R O C E E D I N G

CHAIRMAN HONIGBERG: We're here this afternoon in Docket 16-674, which was a filing by Clifton Below to "correct errors in PUC determination of avoided costs". We'll do the prehearing conference and there will be a technical session that follows.

Before we do anything else, and I know there are some intervenors here, let's take appearances.

MR. BELOW: Good afternoon, Mr. Chairman, Commissioners. I'm Clifton Below. I'm a customer generator of Liberty Utilities and filed the petition at issue here.

MR. SHEEHAN: Good afternoon. Mike Sheehan, for Liberty Utilities. And we are a proposed intervenor.

MR. EPLER: Good afternoon. Gary Epler, a proposed intervenor on behalf of Unitil Energy Systems, Inc. Thank you.

MR. FOSSUM: Good afternoon, Commissioners. Matthew Fossum and Rick Labrecque here for Public Service Company of New Hampshire doing business as Eversource

1 Energy, and also a requested intervenor.

2 MR. KREIS: Good afternoon. I'm the
3 Consumer Advocate, Donald Kreis, here on behalf
4 of residential utility customers.

5 MR. WIESNER: Good afternoon,
6 Commissioners. David Wiesner representing
7 Commission Staff. With me are Tom Frantz, the
8 Director of the Electric Division, Liz Nixon
9 representing the Electric Division, and Steve
10 Eckberg of the Sustainable Energy Division.

11 CHAIRMAN HONIGBERG: I know you had
12 to hesitate on who Ms. Nixon was representing,
13 because she used to represent somebody else
14 until about two days ago, right?

15 MR. WIESNER: That is correct,
16 Mr. Chairman.

17 CHAIRMAN HONIGBERG: I assume there's
18 no objection to the utilities intervening in
19 this proceeding?

20 MR. BELOW: Correct.

21 MR. KREIS: Correct.

22 MR. WIESNER: No objection.

23 CHAIRMAN HONIGBERG: We'll grant
24 those interventions. Is anyone aware of anyone

1 else interested in intervening in this
2 proceeding?

3 MR. WIESNER: I have not heard of any
4 other proposed intervenors, Mr. Chairman.

5 CHAIRMAN HONIGBERG: All right. Are
6 there any other preliminary matters we need to
7 deal with before getting the preliminary
8 positions of the parties?

9 MR. WIESNER: Not that I'm aware of.

10 CHAIRMAN HONIGBERG: All right.
11 Without getting too far into the weeds, let's
12 hear from the parties on their preliminary
13 positions on this. I think we'll hear from
14 Mr. Below, then the utilities, then Mr. Kreis,
15 and then Staff.

16 So, Mr. Below, you may proceed.

17 MR. BELOW: Thank you. This is the
18 first year that, as a customer generator, I
19 generated a surplus of power, and was sent a
20 letter by Liberty Utilities with the value. I
21 went and compared that with the PUC spreadsheet
22 and found that they correctly calculated it.
23 But, when I looked at the ancillary -- the
24 generation related ancillary services, there

1 was the use of a \$1.00 per megawatt-hour
2 simplifying assumption, and the note that that
3 information -- or, the cost for that was not
4 readily available.

5 And, so, I did a quick search, and
6 within about five minutes I found that the
7 information was available, and, in fact, the
8 actual numbers for New Hampshire were on the
9 order four times greater than the assumed \$1.00
10 per megawatt-hour.

11 So, I started the process of
12 calculating what difference that would make,
13 and also realized that there was something else
14 going on with the line losses, in that they
15 have varied in the process of this calculation
16 by a factor of four, from under 2 percent to
17 close to 8 percent, and that those line loss
18 factors did not seem to comport with the line
19 loss factors that Eversource and Unitil publish
20 on their website for line loss factors of how
21 they gross up from retail load to wholesale, to
22 determine wholesale load requirements.

23 And, so, I made an effort to
24 recalculate that and presented those results in

1 my motion to correct the errors, which are
2 pursuant to, you know, the specific provision
3 of the PUC rules for correcting errors that
4 might be found in the calculation of avoided
5 costs.

6 Oh, there is one minor procedural
7 issue I'll just call to your attention. I did
8 file a request for a waiver of Puc 203.02(a)(1)
9 on June 22nd concerning the requirements for
10 paper copies of the spreadsheets. And perhaps
11 it was my mistake, in terms of originally
12 submitting the entire spreadsheets, but that
13 request for waiver was not addressed in the
14 Order of Notice, and so that would still be
15 pending.

16 I did provide one copy, a printout of
17 all the spreadsheets, which was some hundreds
18 of pages of documents, and did provide the
19 electronic spreadsheet summary of information
20 as well.

21 CHAIRMAN HONIGBERG: Mr. Wiesner,
22 does Staff have any position on that waiver
23 request?

24 MR. WIESNER: We have no objection to

1 that waiver request. And, you know, given that
2 the spreadsheets are voluminous, we thought it
3 was a reasonable request and would recommend
4 that it be granted.

5 CHAIRMAN HONIGBERG: It has been
6 granted.

7 Anything else, Mr. Below?

8 MR. BELOW: No. I'm happy to work
9 with the various parties in the technical
10 session. And I hope we can come to a quick
11 resolution of this.

12 CHAIRMAN HONIGBERG: All right.
13 Thank you. Mr. Sheehan.

14 MR. SHEEHAN: Thank you. Liberty has
15 not formulated a position yet on this docket.
16 We are certainly interested in getting the
17 numbers right. And we will work with the
18 parties to get to that goal.

19 CHAIRMAN HONIGBERG: Mr. Epler.

20 MR. EPLER: Yes. Thank you.
21 Basically, our position is the same position as
22 set forth by Liberty Utilities' attorney. We
23 haven't taken a position on this and also want
24 to get the numbers right. And we'll work with

1 the parties during the technical session that
2 follows. Thank you.

3 CHAIRMAN HONIGBERG: Mr. Fossum, what
4 they said?

5 MR. FOSSUM: One small item first, I
6 just wanted to correct, in my Petition to
7 Intervene that I submitted, down in Paragraph
8 4, I had a typographical error that I wanted to
9 just clarify. I don't think there was much
10 question about what it was referring to, but
11 accuracy helps. There was a reference to
12 "Commission Order 25,290", that reference
13 should be to "Commission Order 25,920".

14 Having corrected that, I think, to
15 the extent we have a position, it's set out in
16 the request to intervene already. And it's
17 basically consistent with what Liberty and
18 Unitil have said. And we will work with the
19 parties throughout the process.

20 CHAIRMAN HONIGBERG: Mr. Kreis.

21 MR. KREIS: Thank you, Mr. Chairman.
22 The Office of Consumer Advocate commends former
23 Commissioner Below for raising these issues by
24 petition. We think there's much merit in what

1 he is proposing and some of the concerns and
2 issues that he has raised.

3 And, like the utilities, we look
4 forward to working with the other parties on
5 resolving these issues on a negotiated basis,
6 after a thoughtful exchange of relevant
7 information. And we expect that this docket
8 can be speedily and effectively resolved.

9 CHAIRMAN HONIGBERG: Mr. Wiesner.

10 MR. WIESNER: This is a case of first
11 impression before the Commission. These rules
12 have not been interpreted before. And, in
13 particular, the meaning of the phrase
14 "generation related ancillary service charges",
15 as that phrase is not defined in the rules and
16 has not been interpreted before to our
17 knowledge. And Mr. Below has raised some
18 interesting issues regarding that to be
19 considered. We look forward to working with
20 the parties to develop a process that will
21 produce a record that will inform the
22 Commission's decision.

23 This is a case which, although it may
24 not involve a lot of dollars for any particular

1 customer, and there may not be that many
2 customers who are taking advantage of the
3 option to receive these cash payments, it's an
4 important one, in our view, because it has
5 significance both in probably the net metering
6 docket, as noted by Mr. Below, and also is
7 relevant to PURPA avoided cost payment
8 calculation determinations, which, as noted by
9 Eversource, is a topic that was recently
10 addressed by the Commission in the Asset
11 Divestiture Order.

12 I will also note that Mr. Below
13 raised the question in his initial filing
14 whether or not an adjudicatory proceeding is
15 even necessary in this case. It may be that it
16 is not. And we look forward as well to working
17 with the parties to come up with a process that
18 makes sense under the circumstances. Do have
19 some thought that they may be able to address
20 certain of these issues through a legal
21 briefing or through factual stipulations. And,
22 at the end of that process, it may not even be
23 necessary to have a full-blown evidentiary
24 hearing. So, that's something we will talk

1 about during the technical session.

2 Our priority, as noted by other
3 parties, is to develop the information and make
4 sure that the calculations are correct and the
5 interpretation is reasonable and defensible.

6 CHAIRMAN HONIGBERG: All right. I
7 don't think we have any questions for you all.

8 If there's nothing else, we'll leave
9 you to your technical session?

10 *[No verbal response.]*

11 CHAIRMAN HONIGBERG: Seeing none,
12 then thank you. We will adjourn.

13 ***(Whereupon the prehearing***
14 ***conference was adjourned at***
15 ***1:45 p.m., and a technical***
16 ***session was held thereafter.)***