

STATE OF NEW HAMPSHIRE
BEFORE THE PUBLIC UTILITIES COMMISSION

Docket No. DG 16-827

**Joint Petition to Establish Interconnection/Transition Fund
for Non-Governmental Concord Steam Customers**

Comment by Roy Schweiker on P.U.C. Letter of February 23, 2017

This is submitted as a comment to save trees and allow distribution to the list over the weekend, but may become testimony at a future hearing.

I returned home from the February 10 hearing to find 3 frozen pipes at my house, which took another day to open up. Now I find that like other Liberty Utilities residential customers, I am again part of the "deep pockets" needed to pay off former Concord Steam customers many of which have million-dollar cash flows and own million-dollar properties. I have no idea whether expensing is better or worse for me than a regulatory asset, but apparently I am still being held financially responsible for the actions of others.

So far the Public Utilities Commission apparently is thinking of paying for all costs beyond 10 years of savings. It would make more sense to use the estimated life of the equipment as the payback period; otherwise property owners may choose to buy especially long-lived systems as the extra cost is free to them. Hopefully the final solution will also involve some sort of cost audit of those proposed systems with high costs per thermal unit, which limits reimbursement to only reasonable purchase and installation costs.

The final solution should exclude any property transferred after January 1, 2015 as the expense of new heating equipment should have been reflected in the purchase price. It should also exclude snowmelt systems which are a luxury not a basic need. The Capital Center for the Arts is oriented toward high-income attendees, and takes in more on a good night than the typical Liberty residential customer makes in a year. Their annual number of attendees is similar to the number of Liberty customers, and if ticket buyers aren't willing to pay for a snowmelt system why should someone else pay for them? A surcharge of \$1 on every ticket over \$50 would pay off the project long before the petitioners' proposed financing plan.

There was testimony at the hearing about unfortunate actions by employees of Concord Steam. This should be dealt with by penalties against Concord Steam potentially including wage clawbacks, not paid for Liberty customers who are in no way at fault.

If the Commission is looking for deep pockets to pay for conversions, present Concord Steam customers are probably on average wealthier than Liberty customers as a whole. Another emergency increase in Concord Steam rates could be ordered to build up a conversion fund - in effect, Concord Steam customers with inexpensive conversions would help pay for those with more difficult ones. This would be at least as fair as presenting the bill to Liberty Utilities customers.

Lastly, limiting on-bill financing to those with long payback times doesn't help two categories of Concord Steam customers who perhaps deserve assistance – those with covenants forbidding additional loans and those whose credit is maxed out. Why not allow them to participate since it will be for a shorter period? Hopefully some external source such as a bank or development fund can be used to provide loan funds for pay-on-bill to make the interest rate reasonable. Otherwise the Commission should order that only Liberty's borrowed funds not capital should be used to make loans so the lower allowed rate of return could be used. The Commission should make the overhead expense payable by Liberty Utilities without being charged to customers as was done in the Claremont Gas case - Liberty as a company is at least as responsible as their customers for Concord Steam customers' problems.

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