

---

**From:** Roy Schweiker <royswkr@hotmail.com>  
**Sent:** Thursday, April 13, 2017 7:53 PM  
**To:** Diaz, Velinda; PUC - Executive Director  
**Cc:** 'maureen.karpf@libertyutilities.com'; 'dnute@resilientbuildingsgroup.com'; Kennedy, James; PUC - OCA Litigation; 'psenter@ccmusicschool.org'; Kreis, Donald; 'davep@centerpointnh.org'; 'michael.sheehan@libertyutilities.com'; Halpin-Carter, Mary; 'mpinard@bradysullivan.com'; 'karen.sinville@libertyutilities.com'; 'mooimanm@franklinpierce.edu'; 'lrichardson@jordaninstitute.org'; 'jteague@uptonhatfield.com'; 'steven.mullen@libertyutilities.com'; 'mes@concordsteam.com'; 'cynthia.trottier@libertyutilities.com'; 'steve@bianh.org'  
**Subject:** Re: Joint Petition to Establish Interconnection/Transition Fund for Non-Governmental Concord Steam Customers (DG 16-827)

I am submitting this as a comment to avoid killing trees and making a trip to the PUC office. I can turn it into testimony at a public hearing if held.

I feel that the staff proposal is unnecessarily vague and does not respond to the expressed needs of Concord Steam customers. I have been told that the proposal excludes commercial (and governmental) customers, and provides an interest-free loan for the full cost of conversion over 7 or 10 years to only those residential and non-profit customers who lack a 5-year payback over 2016-17 steam rates. Both the commission and the original petition suggested a 10-year payback. The 5-year proposal came from a vociferous petitioner representing a non-profit with a multi-million-dollar cash flow which is about to receive a \$500,000 grant and I see no reason why ordinary people should subsidize such wealthy groups. By basing the loan on full cost instead of cost in excess of 5 years, a customer with 5.1 year payback would receive roughly a \$7000 subsidy while a customer with 4.9 year payback would receive nothing.

It appears that every customer of Concord Steam will save enough in energy costs to pay for their new heating equipment within the life of that equipment. Once the new equipment is paid off they will receive substantial energy savings for the remaining 15 years or so until the equipment is replaced. This is notably in contrast with Claremont Gas customers, who were offered conversion equipment that would increase their future energy costs - an offer that a substantial percentage of customers chose to decline. It is also in contrast with Liberty Utilities customers who must pay for replacement equipment themselves, and since the efficiency will be only slightly greater than previously the new equipment won't be paid off before it wears out. Requiring Liberty Utilities customers to subsidize customers who are better off than they are seems like a strange thing to do.

Let us suppose that in September an organization such as Direct Energy had offered 5-year pay-on-bill program including engineering and contracting with the payments at 2015-15 steam rates or less. Afterwards rates would drop to competitive rates at substantial savings. This would have served the needs of all but those few customers who were too small for a competitive energy supplier or had greater than a 5-year payback, and the same supplier might have agreed to a special program for them. I consider it outrageous that nobody - not the Public Utilities Commission, the Chamber of Commerce, the City of Concord, or InTown Concord - bothered to arrange this. Rather people are still debating this in April by which time most rational customers presumably are already well along on their conversion plan.

Many Concord Steam customers feel that they were lied to by Concord Steam which promised substantially lower rates in the future. What I don't understand is why these customers feel they should be compensated

for this by third parties who were not involved and did not benefit from it. If there is merit in these claims, the Public Utilities Commission or the Attorney General should take action against Concord Steam or its officers not third parties. The P.U.C. should ask parties to explain why they think they deserve compensation from third parties when they have no economic losses.

Similarly Concord Steam customers are unhappy that they received so little notice of the shutdown outside their normal budget cycle. In effect they were given 12 months for heat customers and 8 months for hot water. I will point out that a typical heat user has much less notice as they find out during an annual checkup that the equipment may not last, or else when it breaks down in perhaps the coldest part of midwinter when it is most stressed. One person I talked to last month had to have their new furnace shipped air freight so it could be installed before their pipes froze. The early shutdown may be inconvenient for Concord Steam customers but they should expect worse in the future now that they have their own equipment.

A last complaint was made by customers with poor credit or loan covenants such that they couldn't borrow even though the conversion would save them money. The staff proposal does nothing for these customers unless the payback is over 5 years. There seems little reason to encourage customers to inflate their costs to benefit from the proposal, and if interest was charged it could be extended to all customers at negligible cost to third parties.

I would like to suggest an alternate plan that treats all Concord Steam customers equally and requires only nominal third-party support. Any Concord Steam customer could sign up for pay-on-bill with Liberty Utilities at a rate based on 2015-16 steam rates. Money received would be applied first to normal cost of gas, then to 4.1% interest, remainder to principal. P.U.C. staff would approve the equipment cost, but since it would be paid back with interest there would be little reason to inflate it so only a few at most would need detailed examination. Using an interest rate slightly above the normal commercial rate would cater to the subprime customers who would choose it and discourage those with existing loans from switching.

If Senator Feltes and the Office of Consumer Advocate wish to help some truly disadvantaged people, they might want to look at Liberty Utilities customers. If there are 80,000 customers with one gas appliance each which last an average of 20 years, that means that 4000 would need replacement every year. If 2% of those (presumably the poorest and least capable) need to suddenly replace their heating unit when it fails, that's 80 locations or about one Concord Steam every year! Given a furnace replacement cost of \$4000 which will save 10% on an annual heating bill of \$800, that's a payback time of  $4000 / (.10 * 800)$  or 50 years! How many Concord Steam customers with a payback under 5 years would like to be assessed to help these Liberty Utilities customers?

/s/ Roy R. Schweiker

---

**From:** Diaz, Velinda <VDiaz@ConcordNH.gov>

**Sent:** Thursday, April 13, 2017 4:34:23 PM

**To:** 'Executive.Director@puc.nh.gov'

**Cc:** 'maureen.karpf@libertyutilities.com'; 'dnute@resilientbuildingsgroup.com'; 'royswkr@hotmail.com'; Kennedy, James; 'ocalitigation@oca.nh.gov'; 'psenter@ccmusicschool.org'; 'donald.kreis@oca.nh.gov'; 'davep@centerpointnh.org'; 'michael.sheehan@libertyutilities.com'; 'jmelkonian@derryfield.org'; 'mpinard@bradysullivan.com'; 'karen.sinville@libertyutilities.com'; 'mooimanm@franklinpierce.edu'; 'Irichardson@jordaninstitute.org'; 'jteague@uptonhatfield.com'; 'steven.mullen@libertyutilities.com'; 'mes@concordsteam.com'; 'cynthia.trottier@libertyutilities.com'; 'steve@bianh.org'

**Subject:** Joint Petition to Establish Interconnection/Transition Fund for Non-Governmental Concord Steam Customers (DG 16-827)

Good afternoon:

Attached please find a Joint Letter from the City of Concord and Senator Dan Feltes, which was filed with the Commission in the above-referenced docket.

Thank you,

*Velinda Diaz*

Legal Secretary

City of Concord

Solicitor's Office

41 Green Street

Concord, NH 03301

(603) 225-8505

[vdiaz@concordnh.gov](mailto:vdiaz@concordnh.gov)



*The information contained in this e-mail message and any attachments may be privileged and/or confidential. It is for intended addressee(s) only. If you are not the intended recipient, you are hereby notified that any review, disclosure, reproduction, distribution or other use of this communication is strictly prohibited. If you received this e-mail in error, please notify the sender by reply and delete the message without saving, copying or disclosing it. Thank you*