

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

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Concord, New Hampshire

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RE: DG 10-041
ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH:
Integrated Resource Plan.
(Prehearing conference)

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Clifton C. Below
Commissioner Amy L. Ignatius

Sandy Deno, Clerk

APPEARANCES: Reptg. EnergyNorth Natural Gas, Inc.
d/b/a National Grid NH:
Steven V. Camerino, Esq.

Reptg. Northern Utilities, Inc.:
Susan S. Geiger, Esq. (Orr & Reno)

Reptg. Residential Ratepayers:
Meredith Hatfield, Esq., Consumer Advocate
Stephen Eckberg
Office of Consumer Advocate

Reptg. PUC Staff:
Marcia A.B. Thunberg, Esq., Esq.
Robert Wyatt, Gas & Water Division
George McCluskey, Electric Division

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

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P R O C E E D I N G

CHAIRMAN GETZ: Okay. Good morning, everyone. We'll open the prehearing conference in docket DG 10-041. On March 1, 2010, National Grid filed an Integrated Resource Plan for Commission review. The IRP covers the period November 1, 2010 through October 31, 2015, and provides details of National Grid's resource planning process and strategy based on present market conditions and current forecasts of requirements. An order of notice was issued on April 21 setting the prehearing conference for today. I'll note for the record that we have the affidavit of publication of notice, and that we also have a filing by the Office of Consumer Advocate notifying its participation in this proceeding. And, we have a Petition to Intervene by Northern/Unitil Energy Systems, and note that that petition indicates there's no opposition either by National Grid or Staff, though Staff submits a separate filing indicating its position in greater detail.

So, can we take appearances please.

MR. CAMERINO: Good morning, Commissioners. Steve Camerino, from McLane, Graf, Raulerson & Middleton, on behalf of National Grid NH. With me today is Thomas O'Neill, Senior Counsel for

1 National Grid.

2 CHAIRMAN GETZ: Good morning.

3 MS. GEIGER: Good morning, Mr. Chairman,
4 Commissioner Below, Commissioner Ignatius. I'm Susan
5 Geiger, from the law firm of Orr & Reno, representing
6 Northern Utilities. And, with me this morning from the
7 Company is Kristen Cote.

8 CHAIRMAN GETZ: Good morning.

9 MS. HATFIELD: Good morning,
10 Commissioners. Meredith Hatfield, for the Office of
11 Consumer Advocate, on behalf of residential ratepayers.
12 And, with me is Steve Eckberg.

13 CHAIRMAN GETZ: Good morning.

14 MS. THUNBERG: Good morning,
15 Commissioners. Marcia Thunberg, on behalf of Staff. With
16 me today is George McCluskey and Bob Wyatt. Thank you.

17 CHAIRMAN GETZ: Okay. Good morning.
18 So, let's start by giving an opportunity to hear the
19 positions of the parties. And, after we hear the
20 positions of the parties, then we'll move to hearing any
21 additional argument that anyone has on the Petition to
22 Intervene.

23 So, if we could start with Mr. Camerino.

24 MR. CAMERINO: Thank you, Mr. Chairman.

1 And, I'll be extremely brief. As the Commission is aware,
2 on February 26, 2010, the Company filed its Integrated
3 Resource Plan in accordance with Order Number 24,941
4 issued by this Commission in February last year. The
5 Commission is aware that the standards for gas IRPs has
6 changed over the last several proceedings. And, the
7 Company is looking forward in this docket to meeting with
8 Staff, reviewing its compliance with the last order, and
9 really giving effect to the Commission IRP standards and
10 giving them a chance to work out, as opposed to what I
11 think has happened in the last few proceedings, which is
12 sort of a continued evolution of those standards. Thank
13 you.

14 CHAIRMAN GETZ: Thank you. And,
15 Ms. Geiger. Well, actually before, do you have any other
16 position on the Petition to Intervene, other than you do
17 not oppose it?

18 MR. CAMERINO: No. We do not oppose it.

19 CHAIRMAN GETZ: Thank you. Ms. Geiger.

20 MS. GEIGER: Excuse me. Northern takes
21 no position on National Grid's IRP filing. But would
22 welcome the opportunity to provide a brief argument on the
23 intervention petition at the appropriate time.

24 CHAIRMAN GETZ: Why don't we do that

1 now.

2 MS. GEIGER: Okay. Thank you, Mr.
3 Chairman. As Northern's -- I won't elaborate any further
4 or reiterate the express arguments made in the
5 intervention petition, but I would like to add a couple of
6 points for the Commission's consideration.

7 Northern's intervention petition
8 indicates that the Commission's order in DG 06-105,
9 regarding the development of National Grid's IRP. It sets
10 the framework basically for gas utility integrated
11 resource planning in New Hampshire. And, as we've
12 indicated, Staff's effort in reaching a settlement
13 agreement with Northern in docket DG 06-098, which effects
14 and deals with these issues that should be addressed in
15 Northern's 2010 IRP filing, was largely modeled on the
16 Commission's order in the National Grid docket. So,
17 there's a close connection between the activities that
18 National Grid is undertaking with respect to IRP and the
19 activities that Northern is undertaking.

20 In Order 25,089, which approved the
21 settlement agreement regarding the development of
22 Northern's IRP, the Commission expressed an interest in
23 establishing a consistent process to evaluate all utility
24 resource investment options. And, that intent was

1 expressed on Page 9 of that order. The order also
2 indicates that the Commission desires to maintain a
3 consistent review process of IRP filings, and that
4 statement is made on Page 10 of the order. Allowing
5 Northern to intervene in this docket will promote the goal
6 of achieving a consistent IRP process.

7 In the instant docket, the Commission
8 will be examining, among other things, the modeling of
9 potential demand resources and an integrated analysis of
10 both supply and demand resources, which Northern views as
11 a valuable but analytically challenging effort. And,
12 significantly, the wording of the Commission's order
13 establishing this particular criterion for IRP filings is
14 identical to what's in the settlement agreement between
15 Northern and Staff regarding Northern's IRP. And, while
16 the concept of integrating demand and supply resources may
17 be seen as fundamental to integrated resource planning,
18 Northern's not aware of any cases where LDCs have
19 successfully performed the type of integration that's
20 called for in the settlement and in National Grid's order.
21 Since Northern's IRP filing must address this issue, and
22 since this a novel and challenging requirement, Northern
23 believes that it should be permitted to participate in
24 this docket so that it can understand any concerns that

1 Staff may have, so that those concerns can be addressed in
2 Northern's IRP filing. And, we think this makes a lot of
3 sense and would create some efficiency for both Northern
4 and for Staff.

5 Northern's participation in this docket
6 will not impair the orderly conduct of the proceedings.
7 Northern doesn't intend to propound discovery requests or
8 file testimony. But Northern does wish to participate in
9 technical sessions and receive discovery and pleadings
10 from the parties. We think this will be of great
11 assistance to Northern in developing its IRP filing, which
12 we then think will be more consistent with Staff's
13 expectations, and therefore make the IRP that Northern
14 files easier to review by Staff than it otherwise might be
15 if Northern were excluded from this process and didn't
16 understand fully all of the ramifications of the
17 Commission's directions to the companies concerning the
18 IRP filings that have been expressed in both National
19 Grid's order and in the settlement agreement that was
20 approved for Northern.

21 Northern and National Grid have worked
22 very well and collaboratively together with Staff in joint
23 technical sessions in a few dockets recently to share
24 information of mutual concurrence. And, Northern believes

1 that this docket should proceed as other dockets have, and
2 that Northern should be allowed to intervene to protect
3 its rights, duties, and substantial interests as a natural
4 gas utility in New Hampshire that is being held to
5 essentially the same standards as National Grid regarding
6 the development of its IRP. Thank you.

7 CHAIRMAN GETZ: Thank you.

8 CMSR. BELOW: I have a question,
9 Ms. Geiger. Do you have any specific reaction to Staff's
10 comment in their letter of May 5th that "Northern's
11 intervention be limited to proposed policy changes, should
12 they occur, and which are not already covered by the order
13 issued in Docket Number DG 06-105"?

14 MS. GEIGER: You know, Commissioner
15 Below, Northern doesn't intend to be making any proposed
16 changes to policy issues in this docket. We really want
17 to just understand how Staff is interpreting the standards
18 that have been set in both Northern's IRP settlement and
19 National Grid's order that contains substantially
20 requirements.

21 CMSR. BELOW: Okay. Thank you.

22 CMSR. IGNATIUS: Commissioner Geiger --
23 excuse me. Attorney Geiger, I understand the commonality
24 of issues you've described. But why is it necessary to

1 intervene, as opposed to monitor, participate in technical
2 sessions, and review the pleadings?

3 MS. GEIGER: That's a good question.

4 And, really, the answer is that it's been my experience
5 that, unless a party is actually in the docket as an
6 intervenor and is on the discovery service list, and is
7 basically known to all of the others in the docket to be
8 actively participating, it's quite conceivable that we
9 would not -- Northern would not necessarily be invited or
10 aware of all of the technical sessions that occur and
11 receive, you know, copies of the pleadings and filings, so
12 that, you know, if, for example, we wanted to react to
13 something that's filed in a timely manner, we'd be able to
14 do that.

15 CMSR. IGNATIUS: Well, we may have some
16 administrative duties here to be certain that things are
17 done as they should be. There is certainly an ability for
18 people to monitor cases and be able to file, receive
19 copies of pleadings, and notice of all technical sessions.
20 And, not discovery materials, but everything else.

21 MS. GEIGER: Right.

22 CMSR. IGNATIUS: If that's not being
23 honored by parties, we'll make sure that it is. To take
24 that further step, however, and say that "there's a right

1 of the company to be an intervenor", as opposed to be
2 aware of what's being filed in the pleadings and have a
3 chance to speak to the policy issues that you're
4 describing, is where I'm still not convinced.

5 MS. GEIGER: Well, I would offer an
6 alternative ground for intervention that I mentioned in
7 the motion, and that is the second sort of permissive
8 intervention that's allowed under 541-A:32, where, if the
9 Commission finds that the interests of justice would be
10 furthered if, you know, if intervention is allowed, then
11 the Commission has the permission or has the authority and
12 the latitude under the statute to make that order. And,
13 to the extent, if we believe we made a compelling argument
14 as to why we should be allowed to intervene as a matter of
15 right, however, if the Commission believes that the
16 company has not met that standard, we believe that there
17 is an alternative basis for the Commission to authorize
18 and allow the Company to participate in this proceeding as
19 an intervenor.

20 CMSR. IGNATIUS: Thank you.

21 CHAIRMAN GETZ: All right. Thank you,
22 Ms. Hatfield.

23 MS. HATFIELD: Thank you, Mr. Chairman.
24 The OCA is still reviewing the Company's filing, so we do

1 not have a position at this time. We look forward to
2 working with the parties and Staff to review the filing
3 and ensure that it is in compliance with the Commission's
4 last IRP order. And, one particular area of interest for
5 the OCA is the integration of demand side resources into
6 the IRP.

7 With respect to Northern's Motion for
8 Intervention, the OCA has no objection. And, one
9 suggestion we have is that the Commission could grant them
10 limited intervention. Since I believe Attorney Geiger
11 just stated that they do not plan to file testimony or
12 issue discovery, perhaps their intervention could be
13 limited to make that clear. Thank you.

14 CHAIRMAN GETZ: Thank you. Ms.
15 Thunberg.

16 MS. THUNBERG: Good morning,
17 Commissioners. Since the Company filed its -- made its
18 filing on March 1st, Staff has already started with its
19 discovery under the administrative rules, and responses --
20 the date for the responses will be incorporated in a
21 proposed procedural schedule that the Staff expects to
22 work out with the Company and any intervenors after this
23 prehearing.

24 But Staff is going to be focusing its

1 review on the IRP filing. According to the framework that
2 was established in Order 24,941, as Attorney Camerino
3 highlighted earlier, that was the last IRP docket, and out
4 of that came some guidelines, which will be guiding Staff.
5 And, Staff will be looking at the Company's demand
6 forecast and the methods used to conduct the forecast.
7 Staff will be looking at the Company's design day and the
8 design year planning standards. Staff will be looking at
9 the Company's supply side resource assessment, its demand
10 side resource assessment, and, in particular, the
11 integration of its supply and demand side resource
12 assessments.

13 If you would like me to discuss briefly
14 Staff's position on the intervention request, I can do
15 that at this time?

16 CHAIRMAN GETZ: Please.

17 MS. THUNBERG: In looking at RSA 541-A
18 and whether there are any rights, duties, or substantial
19 interests that may be affected, Staff did not see
20 Northern's request as satisfying that burden. But, given
21 the type of intervention that Northern is describing,
22 Staff does not oppose it. There is the provision for the
23 permissive intervention, and Staff does not oppose the
24 Commission granting permissive intervention. Staff just

1 does not think that it meets the intervention by right
2 under the statute.

3 Staff is not prepared to litigate any
4 issues pertaining to Northern in this docket, nor is this
5 docket noticed for any issues pertaining to Northern.
6 Staff does not believe that there will be any general,
7 broad, applicable guidelines that will be developed in
8 this docket. We just see this as a compliance docket;
9 seeing if the filing meets the guidelines that were
10 established in the last IRP docket.

11 So, in conclusion, with Attorney Geiger
12 stating that she's not -- that Northern is "not planning
13 on filing testimony, not planning on conducting
14 discovery", Staff does not see their intervention or
15 involvement in this docket as being cumbersome. Thank
16 you.

17 CHAIRMAN GETZ: Thank you. Mr.
18 Camerino.

19 MR. CAMERINO: Yes. Thank you, Mr.
20 Chairman. I just want to comment on one issue related to
21 intervention. And, that is, Attorney Geiger made a
22 reference to what types of participation Northern might
23 have if it was monitoring, and then that was picked up by
24 Commissioner Ignatius. And, I just want to be clear,

1 because National Grid has an interest, obviously, in the
2 Commission's practices and procedures, aside from the
3 specifics of this proceeding. And, it is our position and
4 our understanding that a party that is simply on the
5 service list and monitoring a proceeding does not have a
6 right to participate in technical sessions. They have a
7 right to be present at public meetings, which may or may
8 not include a technical session. But I would expect that,
9 if a party was simply on a service list, and they came to
10 a technical session and wanted to start to involve
11 themselves, if the participants who are parties thought it
12 was necessary, for whatever reason, they would not need to
13 allow that party to participate. And, so, I recognize
14 there's full intervention, which I think we all understand
15 what that is. Then, there's just being on the service
16 list and getting copies of things, and that's what I was
17 just referring to. And, then, there's a whole scope of
18 roles of participation in between that the Commission can
19 describe in an order.

20 But I just, because I know that the
21 Commission's policy and practice on this issue has evolved
22 quite a bit in the last few months, I just want to make
23 clear that somebody who is not somehow a party in the
24 proceeding does not have a right to actually participate,

1 they have a right to be informed and observe.

2 (Chairman and Commissioners conferring.)

3 CHAIRMAN GETZ: Okay. I guess what we
4 will do with the respect to the Petition to Intervene is
5 to take under advisement. I suspect that there would be
6 no obstacle to Northern participating in the technical
7 session that's going to follow this. Well, I suspect
8 that. Is that, in fact, true? Is there any potential
9 issues?

10 MS. THUNBERG: Staff will represent that
11 after this we will be having a technical session to
12 conduct -- or, to develop a proposed procedural schedule.
13 And, Staff sees no problem with Northern's involvement in
14 that discussion.

15 CHAIRMAN GETZ: All right. Thank you.
16 So, then, we will close the prehearing conference, wait
17 for a recommendation on a procedural schedule, and we will
18 make a decision as well with respect to the Petition to
19 Intervene. So, thank you, everyone.

20 (Whereupon the prehearing conference
21 ended at 10:23 a.m. and a technical
22 session was convened thereafter.)
23
24