

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

September 24, 2014 - 11:52 a.m.
Concord, New Hampshire

NHPUC OCT08'14 AM 9:50

RE: DE 14-211

LIBERTY UTILITIES (GRANITE STATE
ELECTRIC) CORP. d/b/a LIBERTY UTILITIES:
*Petition for Alternate Plan for
Procurement of Energy Services
Requirements for all Customer Groups.*

PRESENT: Chairman Amy L. Ignatius, Presiding
Commissioner Robert R. Scott
Commissioner Martin P. Honigberg

Sandy Deno, Clerk

APPEARANCES: Reptg. Liberty Utilities (Granite State
Electric) Corp. d/b/a Liberty Utilities:
Sarah B. Knowlton, Esq.

Reptg. Residential Ratepayers:
Susan Chamberlin, Esq., Consumer Advocate
Jim Brennan
Office of Consumer Advocate

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Thomas C. Frantz, Director/Electric Division
Grant Siwinski, Electric Division

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

ORIGINAL

P R O C E E D I N G

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2 CHAIRMAN IGNATIUS: Good morning. I'd
3 like to open the Docket DE 14-211. This is Liberty
4 Utilities' Petition for an alternate plan for procurement
5 of energy service requirements for all customer groups.
6 We received a request for an alternate plan from Liberty
7 that was filed as part of its energy service filing
8 initially. It was then set into a separate docket to be
9 taken up today, to address the plan that the Company
10 proposed would be in place in the event of a failed bid
11 process. We have just finished the hearing in the bidding
12 process itself that the Company has just completed, and
13 those issues are under advisement. And, so, what we're
14 here today to do is to talk about what the appropriate
15 thing is for the hearing that had been scheduled for this
16 morning.

17 What I want to do is first, obviously,
18 we're formally opening that hearing, I want to get
19 appearances, then describe a little bit on the record the
20 discussion that we had informally beforehand, at the close
21 of the last proceeding, on what the issues and concerns
22 are procedurally. We didn't talk about the substance of
23 the plan, but just some procedural questions, and try to
24 map out a plan for this docket.

1 So, let's first begin with appearances
2 please.

3 MS. KNOWLTON: Good morning. Sarah
4 Knowlton, for Liberty Utilities (Granite State Electric)
5 Corp., here today with the Company's witness, John
6 Warshaw, and other representatives of the Company at
7 counsel's table are Stephen Hall, Steven Mullen, and
8 Maureen Karpf.

9 CHAIRMAN IGNATIUS: Thank you.

10 MS. CHAMBERLIN: Susan Chamberlin,
11 Consumer Advocate, for the residential ratepayers. And,
12 with me today is Jim Brennan.

13 CHAIRMAN IGNATIUS: Thank you.

14 MS. AMIDON: Suzanne Amidon, for
15 Commission Staff. I'm joined by Tom Frantz, the Director
16 of the Electric Division, and Grant Siwinski, an analyst
17 with that Division.

18 CHAIRMAN IGNATIUS: Thank you. I don't
19 know anyone else who's here, any other members of the
20 public. We have no other intervenors, no intervenors in
21 this case. Although, we have received a letter from a
22 company that had initially sought a formal intervention,
23 that request was denied, but the company took us up on the
24 comment that "you can always make a public statement or

1 otherwise file your point of view". And, so, they did so.
2 On September 19th, we received a letter from NextEra
3 Energy in this docket that everybody should have in their
4 file. And, it makes some comments about the Company's
5 proposal, suggests some other issues that should be looked
6 at, and urges a prompt initiation of the generic docket on
7 this question of alternate procurement options.

8 What we talked about beforehand on
9 procedural questions, and I just want to put on the record
10 for everyone's recollection, is that the initial plan that
11 was filed by the Company was for something that would kick
12 in in the event that this auction process turned out to
13 not have sufficient bidders, or, for some reason, would
14 result in a failed auction situation -- a failed RFP.
15 And, that was based in part on some bidding periods with
16 less robust participation.

17 In this instance, we have just heard
18 testimony in Docket 14-031 that, in fact, there was robust
19 participation in the bid process for default service.
20 And, so, that the triggering event that the Company saw as
21 a need for this alternate plan to kick in didn't actually
22 occur. It's possible that it could occur in future bids.
23 And, there's the further question of whether the
24 Commission might reject the results of the bid process,

1 based on the discussions that we had and some evidence
2 presented before. And, if that were to be the case, then
3 you would still need an alternate plan of how to obtain
4 supply for customers.

5 What we would like to commit to, as a
6 way to resolve the question today, is that, if the
7 Commission rejects the bids that were presented in Docket
8 14-031, and an order must be out no later than Monday, the
9 29th, that within a day, a business day of that order
10 going out, there be a hearing on the alternate plan, so
11 that the Company isn't left in the lurch with no options.
12 We would issue -- properly issue a notice of that
13 electronic means, maybe phone calls to you, to make sure
14 that everybody is aware of that and the scheduling for
15 that hearing, and come in immediately to address that
16 proposal, the alternate plan proposal.

17 If the bid results are not rejected,
18 then there is not the need for the immediacy of going to a
19 hearing within a matter of days. It's still something
20 critical to be resolved in a matter of months. And, if
21 that's the case, then we would issue a notice of a
22 proposed hearing date that we would propose, we often wait
23 for the parties after a procedural conference, but
24 sometimes we simply just select a date and reserve it, so

1 that we know that it's going to move quickly and that
2 deadline is established. And, if that's the result, if
3 the bid results are approved, then we would issue a date
4 for a hearing on the alternate plan, and give everybody a
5 number of months, I think, to discuss, resolve, if there
6 is any agreed upon terms, that we would commit that that
7 would be sometime in the month of December of 2014.

8 The final piece, Commissioner Honigberg
9 reminds me, is that we will make sure that the generic
10 stakeholder process docket is opened quickly and does what
11 it can to accelerate the scheduling of the prehearing
12 conference. There's no harm in anybody reaching out and
13 thinking about those terms prior to the formal proceedings
14 here. You don't have to wait for us. But we will issue
15 that, make sure that interested parties are aware of that,
16 so that we can bring a broad stakeholder group together
17 and undertake those questions. And, we'll also put better
18 definition on the scope of that proceeding. Mr. Mullen's
19 point -- pointed out during the break that it was written
20 in a very broad way and was quite open-ended. We will
21 help everybody out, ourselves included, by putting a
22 little more definition on the scope of that, so we all
23 know what we're getting into at the start.

24 Are there any questions?

1 (No verbal response)

2 CHAIRMAN IGNATIUS: All right. Then, we
3 will then adjourn the proceeding. You have --
4 Ms. Knowlton, yes?

5 MS. KNOWLTON: Sorry. I thought you
6 meant questions about what the Commission just indicated.
7 I do have one other matter. We had a Motion for
8 Protective Treatment that we filed. We have this document
9 that we gave to Staff and OCA at a technical session that
10 is, in our view, very confidential, because it does
11 include our pricing methodology.

12 CHAIRMAN IGNATIUS: Yes.

13 MS. KNOWLTON: And, so, I would just
14 remind the Commission that that motion is outstanding,
15 and, at some point, we would ask that it be ruled on.

16 CHAIRMAN IGNATIUS: Thank you. And,
17 you're right. I had forgotten to mention that. The
18 request is that it's the document that describes, and I'm
19 reading from your pleading, how the Company would
20 determine prices for the energy, capacity, and ancillary
21 services under that contingent scenario. I have reviewed
22 it and found it an appropriate motion. And, I think my
23 colleagues all agree. Is there any --

24 MS. CHAMBERLIN: No objection.

1 CHAIRMAN IGNATIUS: -- opposition, any
2 concern on anyone's part?

3 MS. AMIDON: No.

4 CHAIRMAN IGNATIUS: All right. Then, we
5 will grant that motion. Thank you for the reminder. And,
6 I don't see a need to present the alternate plan proposal.
7 It's in writing, I think you've already had at least one
8 technical meeting to discuss it. If not, I apologize for
9 getting that wrong. I think that's always an option to
10 continue to talk, we don't have to schedule it for people
11 to talk to each other. And, if this afternoon is a value
12 to talk any more, I'd encourage you to do that.

13 And, we will follow through on the
14 14-031 order. And, depending upon the results of that,
15 either notice an additional hearing immediately on this or
16 give notice of a later hearing by December. All right.
17 Thank you. Then, I appreciate everyone's help in thinking
18 through this one, which is procedurally a little
19 different.

20 With that, we'll adjourn this hearing.

21 **(Whereupon the hearing was adjourned at**
22 **12:01 p.m.)**