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May 17, 2019

NHPUC 17MAY19AM9:11

Ms. Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301

Re: Docket No. IR 15-296
Investigation into Grid Modernization
Staff Letter of May 16, 2019

Dear Ms. Howland:

The Office of the Consumer Advocate (OCA) is in receipt of the letter filed yesterday in the above-referenced docket by Staff Attorney Ross, communicating the results of the technical session on May 15 at which she presided. The docket is at a critical juncture and the OCA is grateful to Ms. Ross for her vigilant and creative case management. As her letter suggests, it appears she succeeded in causing the participants at the technical session to agree on a framework for moving forward.

However, consistent with the concerns raised in our letter filed in this docket on April 8, 2019, the OCA deems it necessary to make clear certain understandings of how this docket will now proceed. Specifically, the OCA understands that

- The Commission will conduct the next phase of this proceeding as a contested adjudicative proceeding within the meaning of the Administrative Procedure Act and the Commission's Puc 200 rules, for the purpose of resolving on a generic basis certain issues raised in the Grid Modernization Working Group Report and subsequent Staff Report,
- That the Administrative Procedure Act and the Puc 200 rules applicable to adjudicative proceedings will apply to the next phase of the proceeding,
- That the "proposals" referenced in Ms. Ross's letter may, but are not required to, take the form of prefiled direct testimony,
- That to the extent the OCA files "comments" on anything within the meaning of Ms. Ross's letter, the comments may include one or more proposals,
- That the OCA reserves all rights under the Administrative Procedure Act and the Puc 200 rules with respect to what occurs following the submission of initial proposals

and/or comments, including but not limited to the right to conduct discovery, to submit rebuttal evidence in the form of written testimony or otherwise, to present testimony and argument at hearing, and to cross-examine the witnesses of other parties at hearing,

- That the OCA understands the Commission will hold a hearing and issue an order resolving generic issues prior to entertaining the submission of an Integrated Resource Plan from any utility.

The OCA respectfully requests that when the Commission addresses the issues raised in Ms. Ross's letter, it clarify that the OCA's understandings as outlined above are correct.

Additionally, more for the benefit of other participants than for the Commission at this point, the OCA is taking this opportunity to clarify its position on the inclusion of "capital budgeting process" in the list of issues in Ms. Ross's letter. At the technical session, the OCA proposed the inclusion of "capital budget planning process" on the list of issues, a suggestion that elicited emphatic opposition from at least one of the utilities.

The OCA does not contend, and will not contend, that as Least Cost Integrated Resource Planning within the meaning of RSA 378:38 *et seq.* metamorphoses into Integrated Distribution Planning, a stakeholder process should supplant the utilities' right and responsibility to plan for the deployment of their available capital. However, in our view this transformation does require (1) stakeholder involvement in and Commission oversight of the *process* the utilities use to determine their capital budgets, and (2) similar review of the *amount* of capital resources each utility deploys in a given planning period. *See* our April 8, 2019 letter at 9 (making precisely this point) and 7 (urging the Commission to require utilities to employ risk-informed decision support to supplement the utility cost test in making investment decisions). We will, of course, elaborate on this perspective in due course. We summarize it here in an effort to forestall confusion as participants prepare for the next phase of the proceeding.

Thank you for considering our request for clarification and our comments. Please feel free to contact me if there are any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Maurice Kreis", with a stylized, flowing script.

D. Maurice Kreis
Consumer Advocate

cc: Service List (via e-mail)