

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

January 19, 2017 - 1:38 p.m. NHPUC FEB07'17 PM 1:05  
Concord, New Hampshire

RE: DRM 16-853  
RULEMAKING:  
Puc 2000 - Competitive Electric  
Power Suppliers and Aggregator Rules.  
*(Hearing to receive public comment)*

**PRESENT:** Chairman Martin P. Honigberg, Presiding  
Commissioner Robert R. Scott  
Commissioner Kathryn M. Bailey

Sandy Deno, Clerk

**APPEARANCES:** (No appearances taken)

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

**CERTIFIED  
ORIGINAL TRANSCRIPT**

**I N D E X****PAGE NO.**

SUMMARY BY MR. WIESNER

4

**PUBLIC STATEMENTS BY:**

Brad Mondschein (Clearview Electric)

7

Douglas Patch (RESA)

27

Marc Hanks (Direct Energy)

40

Robert Munnelly (Davis Malm &amp; D'Agostine)

50

Stephen Tower (NHLA)

73

Dennis Labbe (NHLA)

74

Matthew Fossum (Eversource Energy)

77

**QUESTIONS BY:**

Cmsr. Bailey

12

Chairman Honigberg

61

**P R O C E E D I N G**

CHAIRMAN HONIGBERG: We're here this afternoon in Docket DRM 16-853, a rulemaking proceeding on our 2000 rules. We're here to take public comment from the assembled masses. And, in addition to the public comment today, we have invited people to provide written comments by January 27th, which is next week.

Something that is not in the Order of Notice that came out after we issued this Order of Notice is a letter from the Governor related to Executive Branch Regulatory Review. It's a page and a half of single-space type. There are copies available here. We will probably file a copy of this in the docket of this proceeding and invite public comment, as is expected in numbered Paragraph 3 of the Governor's letter, having to do with all rules, really, but, since we had this process going, we thought we would take advantage of the coincidence and use this proceeding, the public comment today, to the extent people want to speak to it, but more likely in written comments next week, on the matters that the

1 Governor would like all the Executive Branch  
2 agencies to consider.

3 All right. With that background, I  
4 will not read from the Order of Notice.

5 Instead, I think I'll ask Mr. Wiesner to set  
6 the scene for us with respect to this set of  
7 rules and what the nature of the changes are.

8 MR. WIESNER: Thank you, Mr.  
9 Chairman. The process of reviewing these rules  
10 began a couple of years ago in the wake of the  
11 PNE Energy situation in 2013. It took a fair  
12 amount of time for us to really get going on  
13 that process. Last year, we had extensive  
14 stakeholder sessions with suppliers,  
15 aggregators, and with the utilities, to  
16 consider changes to the rules. We also have  
17 proposed rules, and the Commission has adopted  
18 an Initial Proposal containing those rules,  
19 that address a number of statutory changes that  
20 have occurred in the past year or so,  
21 regarding, for example, variable rate  
22 contracts, customer privacy information, the  
23 requirement for the Commission to adopt and  
24 implement a customer shopping website, and new

1 authority for the Commission regarding  
2 enforcement and sanctions against suppliers.

3 So, the rules that you have before  
4 you address all of that, as well as containing  
5 updates and refinements based on the experience  
6 of the Commission over the past several years,  
7 with what we believe is a successful  
8 competitive electricity supply market within  
9 the state.

10 And I will note that the rules have  
11 roughly doubled in size, but that is in large  
12 part due to the statutory changes which I  
13 mentioned, as well as efforts to address new  
14 market realities, which may have been unknown  
15 to prior Commissions when the rules were last  
16 adopted, such as aggregators granted agency  
17 authority by customers to make selection of  
18 suppliers on their behalf.

19 So, that's a high-level introduction  
20 of what's included in the rules. As I say, we  
21 had extensive stakeholder meetings last year  
22 and went through the rules in quite a bit of  
23 detail. But I'm not sure we've had any such  
24 in-the-room discussions with stakeholders since

1 the Initial Proposal has been adopted or the  
2 final version of it developed.

3 So, we look forward to hearing what  
4 parties have to say today, as well as in the  
5 written comments that will be submitted by next  
6 Friday.

7 CHAIRMAN HONIGBERG: All right.  
8 Before I call the first speakers, actually,  
9 I'll tell you who the first speakers are so you  
10 can get ready. Jeremy Reed, Brad Mondschein,  
11 and Doug Patch are the first three speakers.  
12 So, you can get yourselves ready. But we've  
13 received written comments from Pope Energy that  
14 we have in front of us.

15 We also received a document styled as  
16 a "Request to Intervene" by Clearview Electric.  
17 I don't know if the representative of Clearview  
18 is here. It's not necessary to intervene in a  
19 proceeding like this. This is a rulemaking  
20 where we're taking comments from the public.  
21 So, it's not the kind of adversary proceeding  
22 where you have parties and nonparties,  
23 intervenors, others. This is all -- everybody  
24 has an equal say in how all this goes.

1           So, we'll just keep this in the file.  
2           And, to the extent that the Clearview  
3           representatives want to speak today or provide  
4           written comments, they're free to do so.

5           So, I think, if there's nothing else  
6           we need to do, the first speaker is Jeremy  
7           Reed. So, if you could identify who you --  
8           from Clearview, I see -- who you represent and  
9           provide us with your comments. Mr. Reed.

10           Just make sure you have a microphone  
11           in front of you and that the light is on.

12           MR. REED: All right. So, with  
13           Clearview Energy, Brad, the next person listed,  
14           is actually our attorney. For the most part, I  
15           think he's going to be speaking on our behalf.  
16           But I may add to his comments as we go along.

17           CHAIRMAN HONIGBERG: Fair enough.

18           MR. REED: We're going to share  
19           the --

20           CHAIRMAN HONIGBERG: Attorney  
21           Mondschein.

22           MR. MONDSCHIEIN: Thank you. And I  
23           appreciate the opportunity to speak this  
24           afternoon and to file written comments next

1 week.

2 We have a number of issues that  
3 Clearview has looked at and reviewed that are  
4 being proposed as regulations in the State of  
5 New Hampshire. And we'd like to go through  
6 some of them today to talk about some of the  
7 issues that we see and some of the regulations  
8 that we believe should either not be adopted or  
9 need to be clarified.

10 The first that we want to talk about  
11 is proposed Rule 2003.03, which involves the  
12 requirements of security instruments for  
13 electric suppliers. And the proposal is that  
14 you need to have a surety bond of not less than  
15 12 months, with a six-month extension, or an  
16 18-month term for a letter of credit, in order  
17 to have a license in the State of New  
18 Hampshire, and that that's only for a 12-month  
19 license. To have a 24-month license, you have  
20 to have 30 months, and a 36-month license you  
21 have to have 42 months.

22 The first issue that we have is that  
23 it's very difficult, if not possible, for an  
24 electric supplier to obtain a surety bond for



1 longer than 12 months. Clearview Electric has  
2 attempted to find out from their supplier  
3 surety bonds if they could get a longer than  
4 12-month surety bond, and they were told that  
5 they could not. And, even if they could, the  
6 cost of getting that bond would be extremely  
7 expensive compared to getting that bond today  
8 for 12 months.

9 The alternative is to put up cash,  
10 basically, for a letter of credit, which is  
11 just as costly as the letter of credit itself.  
12 So, if you're requiring a \$500,000 Letter of  
13 Credit, the Company would have to put up  
14 \$500,000 of cash to support that Letter of  
15 Credit in most cases. And that ties up the  
16 needed cash resources of the electric  
17 suppliers.

18 And, in effect, what this regulation  
19 is going to do, it's going to take away the  
20 ability of electric suppliers to put up surety  
21 bonds and require letters of credit.

22 In addition to that, it creates a  
23 situation where you end up with only 12-month  
24 licenses in the State of New Hampshire. The

1 financial hardship and the availability in the  
2 market of the surety bond products will prevent  
3 most, if not all, electric suppliers from  
4 getting a term of longer than 12 months.

5 Most other jurisdictions allow a  
6 five-year term for a license. They require  
7 ongoing security of surety bonds that are 12  
8 months in length, that need to be renewed.  
9 And, if they're not renewed, then the license  
10 can be revoked. Usually, they need to be  
11 renewed 30 to 60 days prior to the end of the  
12 term, and notice has to go to the Public  
13 Utility Commission before the license -- before  
14 the surety bond expires, if it's going to  
15 expire. And that provides adequate assurance  
16 to most jurisdictions. And we would encourage  
17 New Hampshire to adopt a similar regulation.

18 The next issue that we wanted to  
19 raise, and I don't know if there's questions  
20 from the panel before I move on. So, if there  
21 is, please interrupt me.

22 CHAIRMAN HONIGBERG: We're not shy.

23 MR. MONDSCHIEIN: So, the next issue  
24 involves proposed Rule 2003.01, and, in

1 particular, Subsection (e), Subsection (4).

2 The first issue is -- involves the (4)(e),  
3 which talks about "Other practices found by the  
4 Commission to be harmful or potentially harmful  
5 to customers".

6 The first thing is that this  
7 provision is extremely broad, and really  
8 doesn't provide adequate guidance to electric  
9 suppliers when it comes to understanding what  
10 practices this Commission is going to be  
11 looking at. Certainly, (a), (b), (c), and (d),  
12 as listed under number (4), are specific and  
13 are things that this Commission should be  
14 looking at. However, (e) is so broad that it  
15 provides little guidance to the electric  
16 supplier community.

17 Further, Subsection (e)(4) also talks  
18 about the Commission looking at the number of  
19 complaints or the types of complaints. The  
20 number of complaints is not necessarily a good  
21 indicator of whether an electric supplier  
22 should be licensed in the State of New  
23 Hampshire. It should be based on the types of  
24 complaints, and should be based on practices

1       that are found to be harmful only after an  
2       investigation by this body, and not just an  
3       evaluation by this body without a hearing.

4               The next issue that we have --

5               CMSR. BAILEY: Mr. Mondschein?

6               MR. MONDSCHHEIN: Sorry. Yes.

7               CMSR. BAILEY: I'd like to ask you to  
8       elaborate a little bit on the "number of  
9       complaints". And I think your position is that  
10      the number isn't relevant, it's the type of  
11      complaints that would be more relevant.

12              Two things about that. One, I  
13      think -- I don't understand how you can't say  
14      that, if a company has a significant number of  
15      complaints against it in another jurisdiction,  
16      that that's not relevant. And, if the  
17      Commission were to deny an application because  
18      of the number of complaints, and it probably  
19      would not be -- I can't imagine that it would  
20      be just based on the number of complaints, but  
21      the number and the type of complaints, you have  
22      the opportunity to ask for a hearing. So, you  
23      would be heard and could make that argument at  
24      that time.

1                   So, why is that not -- why doesn't  
2                   that take care of it?

3                   MR. MONDSCHHEIN: I think it goes to  
4                   just to what you just said, actually. When you  
5                   read the regulation, the regulation says  
6                   "number or types of complaints". It doesn't  
7                   say "number and types of complaints". And I  
8                   think that goes to the crux of what we're  
9                   saying.

10                  We don't believe it should be just  
11                  based on number. It should be "number and  
12                  types of complaints". So, if someone, for  
13                  example, is out and in the community, and there  
14                  happens to be a certain number of complaints,  
15                  whatever that number may be, but it's  
16                  complaints that are either minor in nature or  
17                  perhaps even complaints that aren't perhaps  
18                  things that are done "wrong" by the electric  
19                  supplier, but misunderstandings by consumers,  
20                  which happens. That needs to be taken into  
21                  account. And, so, that's why, from our  
22                  perspective, it should be "number and type",  
23                  not just "type" -- not "number or type".

24                  CMSR. BAILEY: Okay. Thank you.

1           MR. MONDSCHHEIN: Thank you. The next  
2 regulation we'd like to -- that's being  
3 proposed is 2004.10, and that involves the date  
4 upon which a customer will become a customer of  
5 the electric supplier.

6           And the issue we have here is really  
7 that we would -- we would like to see an  
8 addition to the regulation. Which is that,  
9 with the advent and the on-boarding of smart  
10 meter technology, there is the ability of the  
11 utility to do off-cycle meter reading, without  
12 any cost, remotely. And we would like to see  
13 the regulations acknowledge the fact that, if  
14 smart meters are implemented in the State of  
15 New Hampshire, that we can have off-cycle meter  
16 reading and off-cycle on-boarding of customers  
17 to electric suppliers.

18           Okay. Section 2000 -- next one we  
19 have is Section 2004.03.

20           CHAIRMAN HONIGBERG: I'm sorry. Can  
21 you repeat the number?

22           MR. MONDSCHHEIN: Sure. 2004.03. And  
23 there's a number of issues that we believe are  
24 being raised by the disclosure that must be

1 done by electric suppliers on their variable  
2 rate pricing. And, in particular, the electric  
3 suppliers have to disclose their components of  
4 the variable rate price, if they are not using  
5 an index. How that and what needs -- how that  
6 gets done and what needs to be disclosed is not  
7 in the regulation.

8 So, for example, can an electric  
9 supplier simply say "the components our  
10 variable rate are the cost of obtaining  
11 electricity, personnel, overhead, profit?" Can  
12 it be that broad? Is there a requirement that  
13 there be more of a formulaic disclosure to  
14 customers? Right now, it's up in the air  
15 whether and to what extent you need to disclose  
16 those components of variable pricing.

17 Further, an electric supplier may  
18 not, and it's not often in their best interest,  
19 to change variable prices every 30 days, or  
20 even every 60 days or 90 days. So, the  
21 disclosure of those components we believe need  
22 to be flexible enough to allow electric  
23 suppliers to keep their prices stable for some  
24 period of time even on a variable rate. So

1       that an electric supplier has the option, for  
2       example, of not raising rates and lowering  
3       their profit for a month, because they don't  
4       want to have to raise their rates. If we have  
5       a component that requires there to be constant  
6       change, then you're going to be seeing constant  
7       change in those rates. So, right now, it's not  
8       clear what the components have to be, and also  
9       how those components have to be disclosed to  
10      the public.

11               Further, when you look at requirement  
12      Subsection (4) and Subsection (6) under  
13      Subsection (b), it talks about disclosing the  
14      monthly average price a customer would have  
15      paid the electric supplier over the preceding  
16      12 months, using actual variable prices charged  
17      be the electric supplier. And paragraph (6)  
18      talks about "the maximum and minimum monthly,  
19      stated separately, that a similarly situated  
20      retail customer in New Hampshire would have  
21      paid over the preceding 12-month period".

22               Neither of those -- first of all, we  
23      can't really understand the difference between  
24      the two. And the second is that it doesn't say



1       how that's determined. So, is it based on a  
2       statewide average? Is it based on what they  
3       would have paid -- what a customer would have  
4       paid to an electric supplier in another part of  
5       the state or in another -- with another utility  
6       part of the state? So, it's unclear of what  
7       that really all means. And we're also unclear  
8       of whether it means "based on a standard  
9       offer". So, our view is that it needs to be  
10      clarified as to what exactly is being asked of  
11      the electric suppliers to put out there to  
12      their customers.

13               The next section was 2004.20. What's  
14      interesting about 2004.20 is that it really was  
15      the folks at Clearview that had to explain to  
16      me what the big issue was about this. Because  
17      I know when they explained it to me, it became  
18      clearer. So, I'm hoping I can explain it to  
19      you.

20               The 2004.20 basically says that, if  
21      you make an unauthorized change to a customer's  
22      account and basically slam them, right, change  
23      them to your supplier without their  
24      authorization, and that's found out, that you

1 have to return to them up to 24 months of  
2 charges that you received from that customer.

3 We believe that it should be limited  
4 to six months. And there's really two reasons  
5 for that. The first is that we believe that  
6 customers do have some obligation to recognize  
7 the unauthorized change. But, even beyond  
8 that, this really opens the door to an issue  
9 that we'll talk about in a little while, which  
10 is "what is an authorized and what's an  
11 unauthorized change?"

12 There are instances where the person  
13 who is "authorized" to change electric  
14 suppliers is really a open issue. Is the  
15 person who's authorized not only the person who  
16 might own that residence or be the primary  
17 person on the account, what about the spouse?  
18 A significant other living in the home? An  
19 adult child living in the home? Or the person  
20 who says "Yes, I'm authorized", and tells it on  
21 a third party verification that they're  
22 authorized?

23 If the customer, and some of them are  
24 savvy enough, understands these rules, they may

1       actually wait, and wait the 24 months to say  
2       that "the electric supplier made a mistake",  
3       and that the person who claims they were  
4       authorized to make that change, in fact,  
5       wasn't. And, then, the electric supplier has  
6       to pay back 24 months of power.

7               There's also -- this provision also,  
8       in effect, provides free power to these  
9       customers. So, the amount being refunded  
10      should not be 100 percent of what they paid to  
11      the electric supplier. Instead, the amount  
12      refunded should be limited to the difference  
13      between what the customer paid the electric  
14      supplier and the amount the customer would have  
15      paid the utility under standard offer had they  
16      not been switched.

17              And an issue that this raises, like I  
18      said before, which is not in the regulations  
19      right now, perhaps should be added, and we  
20      argue should be added, is a definition of who  
21      can the electric supplier rely upon to  
22      authorize a change in electric supplier status.  
23      Can the electric supplier simply have a  
24      good-faith belief that the person is

1 authorized? Does the person who is authorized  
2 to have to actually be the person listed on the  
3 customer bill? Can it be a spouse, a domestic  
4 partner? What happens if the person answers  
5 all the questions that they're authorized? Or  
6 what about anyone over 18 living at the house  
7 or residence?

8 We believe that these regulations,  
9 while we're at the point of making these  
10 changes, and have the opportunity to make these  
11 changes, these types of questions should be  
12 answered, and answered clearly, so that  
13 electric suppliers understand what they should  
14 be relying on.

15 The next section is 2004.11. And  
16 there's a number of issues that are raised by  
17 the limits on marketing of potential customers.  
18 The first is the ban on prerecorded messages.  
19 Prerecorded messages are already prohibited by  
20 federal law under the TCPA for new customers.  
21 We believe that a customer who is an existing  
22 customer of an electric supplier should be  
23 allowed to receive prerecorded messages from  
24 their electric supplier.

1           Second is the weekends and holiday  
2           solicitations. This is just not an acceptable  
3           regulation under the law. It's an  
4           unconstitutional restraint on commercial  
5           speech. The U.S. Supreme Court has already  
6           stated numerous times that, so long as there is  
7           less restrictive means to accomplish the  
8           objectives of this Public Utility Commission,  
9           that those less restrictive means must be  
10          implemented, and you cannot have a complete ban  
11          on solicitation for commercial speech.

12                Such restrictions, for example, can  
13          further limit the time during the weekend that  
14          you can solicit customers. Right now, during  
15          the week it's 8:00 a.m. to 9:00 p.m. you're  
16          allowed to solicit customers. Well, perhaps on  
17          the weekends, it's 10 a.m., instead of  
18          8:00 a.m. There's other means by which these  
19          regulations can obtain the same goal.

20                The second ban is on door-to-door  
21          sales. Just like with the ban on weekend and  
22          holiday solicitations, it's unconstitutional  
23          restraint on commercial speech to ban  
24          door-to-door sales.

1 Further, door-to-door sales is an  
2 important part, not only of soliciting new  
3 customers, but also the ability of the State of  
4 New Hampshire to teach the public about the  
5 availability of competition, to teach the  
6 public about the availability of renewables and  
7 electric suppliers that supply through  
8 renewable means, and for electric suppliers  
9 themselves to be known in the -- in the state.

10 The next issue that's raised by  
11 2004.11 is the requirement that the Do Not Call  
12 List be updated on a daily basis. This is an  
13 extremely expensive and burdensome regulation.  
14 Also, the Do Not Call regulations, the federal  
15 Do Not Call regulations, provides a 30-day safe  
16 harbor to allow for periodic updates,  
17 recognizing that a company cannot realistically  
18 check the Do Not Call List every day.

19 Beyond that, the Federal  
20 Communications Commission has stated that the  
21 best practices for checking the Neustar List,  
22 which is the list for cellphones, is to check  
23 it every 15 days. And even that regulation  
24 allows for what we call "one free call",

1 meaning that you're allowed to call someone on  
2 their cellphone once without violating the  
3 regulation. We would encourage this -- that  
4 these regulations be changed to comply with  
5 these federal regulations.

6 The final issue we have with 2004.11  
7 is the requirement that an electric supplier  
8 not discriminate by geographic area. Now,  
9 certainly, an electric supplier should not, and  
10 at least I can tell you Clearview will not,  
11 discriminate against customers by geographic  
12 area. However, the regulation should be  
13 amended so that it's clear that an electric  
14 supplier is able to target market geographic  
15 areas, as long as they don't discriminate  
16 against customers who want to sign up with them  
17 from anywhere in which they're serving  
18 customers.

19 So, moving onto the next issue we  
20 have, which is 2005.01. And this is actually a  
21 very -- a rather, I think, a simple request.  
22 If we look at Subsection (c)(1), (2) and (3),  
23 there is an "or" in between Subsection (2) and  
24 Subsection (3). I think it's fairly clear that

1       that section should be read "(c)(1) or (2) or  
2       (3)", but we would encourage the Commission to  
3       make it very clear and put in "or" after the  
4       end of Subsection (c)(1), so that it's clear  
5       that it's "(1) or (2) or (3)".

6               CMSR. BAILEY: Mr. Mondschein, from  
7       my experience, the Legislative Services people  
8       don't let us do that.

9               MR. MONDSCHHEIN: Okay.

10              CMSR. BAILEY: But, when you have an  
11       "or" after number (2), it means "(1) or (2) or  
12       (3)".

13              MR. MONDSCHHEIN: I understand that.  
14       Thank you.

15              The next section is 2005.03 and  
16       2005.04. The procedure and the repercussions  
17       of suspension and revocation are exactly the  
18       same. There's no difference between suspension  
19       and revocation under the proposed regulations.  
20       A suspension should be a suspension for  
21       soliciting new business. It should not be a  
22       suspension from having existing customers and  
23       servicing existing customers. In essence, the  
24       way the regulations are currently written, a



1 suspension will become a revocation, because  
2 all of the customers of that electric supplier  
3 need to be moved.

4 Further, there's no transition period  
5 that's in these regulations for either a  
6 suspension or a revocation. And we would  
7 suggest that we go back -- that the regulations  
8 refer back to when an electric supplier is  
9 exiting the market, and have those regulations  
10 apply, so that gives them time for those  
11 electric suppliers who are in a revocation  
12 situation to be able to orderly transfer their  
13 customers.

14 And then there's two issues that we  
15 wanted to raise, actually, three issues that we  
16 wanted to raise that are not in the regulations  
17 that we believe should be in the regulations.  
18 One of them is that the regulations should  
19 include a requirement that the utility provide  
20 electric suppliers with an eligible customer  
21 list, with the ability of a customer to opt out  
22 of being on that list. An example of such a  
23 regulation is found in Pennsylvania.

24 Second, it's our understanding right

1       now that if a customer either -- if a customer  
2       underpays its bill, that the utility portion of  
3       the bill gets paid first. We suggest that the  
4       regulations include that the utility should get  
5       paid on a pro rata basis based on charges on  
6       the bill if the customer does not pay the  
7       entire bill.

8               We also would suggest that such an  
9       issue becomes a nonissue if the State of New  
10      Hampshire adopts POR billing or Purchase of  
11      Receivables billing.

12             The last issue we want to raise is  
13      the ability of electric suppliers to supply  
14      electricity to customers that are on state  
15      assistance or EAP. Currently, a customer loses  
16      their EAP benefits if they switch to an  
17      electric supplier. We believe that this is  
18      anti-competitive, and that EAP should apply to  
19      the supplier portion of the bill, not just  
20      standard offer.

21             Thank you. I appreciate the time.

22             CHAIRMAN HONIGBERG: Thank you, Mr.  
23      Mondschein. Mr. Reed, he did good?

24             MR. REED: He did very well,

1 actually.

2 CHAIRMAN HONIGBERG: All right. The  
3 next three speakers are Doug Patch, Marc Hanks,  
4 and Rob Munnelly.

5 MR. PATCH: Good afternoon, Mr.  
6 Chairman, Commissioners. Doug Patch, from Orr  
7 & Reno, on behalf of the Retail Energy Supply  
8 Association. Which is a broad and diverse  
9 group of more than 20 retail energy suppliers  
10 dedicated to promoting efficient, sustainable,  
11 and customer-oriented competitive retail energy  
12 markets.

13 We have some oral comments we'd like  
14 to make today. We also intend to file written  
15 comments by January 27th.

16 We have a couple of general comments  
17 to begin with. One of which was going to pick  
18 up on something that the Chairman already  
19 cited, which is Governor Sununu's moratorium,  
20 and to focus just for a minute on the fact that  
21 it included language about rules "not having an  
22 unreasonably adverse effect on the State's  
23 competitive business environment". We think  
24 it's important to keep that in mind as you

1 approach these rules.

2 The second general comment we have,  
3 there is a provision in the Commission's rules,  
4 Puc 201.05, which allows any person to seek a  
5 waiver from the rules. And we think it would  
6 make sense in these rules, near the beginning,  
7 to have a cross citation to that. I know the  
8 Commission has done that in other rules, a  
9 number of other rules. One example being the  
10 net energy metering, Puc 903.02, paragraph (n).  
11 Although, in these rules, there are at least  
12 two cites, I think, to the ability to request a  
13 waiver. They're specifically with regard to  
14 applications. And I think, under that general  
15 rule, 201.05, a person would have the ability  
16 to seek a waiver. And I think it would be  
17 helpful to members of the public that that was  
18 made more clear by having a general provision  
19 in the rules.

20 Puc 2002.03 provides a definition of  
21 "aggregator". And RESA submits that this would  
22 require some clarification. It's not clear  
23 from the proposal how the rules intend to treat  
24 what are basically energy brokers, you know,

1       somebody who works as an independent agent on  
2       behalf of itself and/or the retail customers.  
3       Typically, energy brokers do not receive  
4       compensation or remuneration from the supplier.  
5       It was a matter of administrative convenience.  
6       The supplier often includes the broker's  
7       service fee in the supplier's price. In  
8       effect, the supplier acts as a billing agent.  
9       Since energy brokers do not receive  
10      compensation from the supplier -- or rather  
11      from the customer, they would arguably fit  
12      within the proposed definition of "buyer's  
13      aggregator" in Puc 2002.06. We're not sure  
14      that this is the Commission's intent, because,  
15      according to that section, a buyer's aggregator  
16      is not subject to the provisions of this  
17      chapter.

18               So, if the Commission means to  
19      include energy brokers in the definition of  
20      "buyer's aggregator", then it should be  
21      included, we believe, as an explicit example,  
22      along with a municipality and a cooperative,  
23      which are cited in that rule. If not, then  
24      they should simply define a "buyer's

1 aggregator" as a municipality or cooperative  
2 and consider where energy brokers fit into the  
3 regulatory picture.

4 Our next comment is on the definition  
5 of "small commercial customer" in 2002.19. And  
6 this lowers the threshold for such customers  
7 from 100 kilowatts to 20. We support this  
8 change. We think 100 is a very high threshold.  
9 That's what's in the current rules. And, so,  
10 we think it's a good idea to lower it to 20.

11 Next comment, with regard to  
12 residential customers, we think it's important  
13 to insert some language in the rules about  
14 "incidental residential accounts". An example  
15 of that would be an on-campus residence of a  
16 university president, where responsibility for  
17 the account, including the selection of supply  
18 service, rests with the university, not the  
19 individual residing there. We think it should  
20 be made clear that the basis for determining  
21 whether or not rules directed at residential  
22 customers throughout the chapter are applicable  
23 to a certain account should be based on the  
24 type of customer that has contracted with a

1 supplier and not the utility's tariff-based  
2 designation.

3 Our next comment is on the fact that,  
4 under these rules, in particular, we're focused  
5 on 2003.02(g), a supplier registration is good  
6 for anywhere from one to three years, depending  
7 on the financial security that is provided.  
8 Under the current rules, it's a five-year  
9 period. We recommend the Commission retain  
10 that five-year period. We're not sure what was  
11 intended to be accomplished by creating  
12 different periods of time for a registration to  
13 be valid, depending on the time period during  
14 which financial draws can be made. But RESA  
15 submits it would be easier, more consistent  
16 with what other states do, and far less  
17 confusing to continue with a registration for  
18 the five-year period, which is in place now.

19 The next comment is on 2003.01(1),  
20 which says that within five days of receiving  
21 approval from the Commission to operate in New  
22 Hampshire, a supplier must notify the local  
23 distribution company. Under current rules,  
24 it's 30 days. We would recommend changing the

1 requirement in the proposed rules to 15  
2 business days. We think that would be a  
3 reasonable compromise between what is proposed  
4 and what is in the current rules.

5 Puc 2003.02(d)(4) says that the PUC  
6 "shall deny an application for renewal...if the  
7 applicant has been subject to consumer  
8 complaints in New Hampshire or other states".  
9 We think the intent of this is that it apply,  
10 and this may be splitting hairs, but that it  
11 apply to an applicant that has been the subject  
12 of consumer complaints, not subject to them.

13 And, in addition, and more  
14 importantly, just because a supplier has been  
15 the subject of complaints should not disqualify  
16 it from renewal. We think the language here  
17 mandating that the Commission deny renewal  
18 based on the mere existence of complaints is  
19 too open-ended. And, as a matter of due  
20 process, denial of an application based on  
21 complaints should only be allowed if the  
22 complaints have been found to have been  
23 substantiated.

24 2003.03 establishes financial



1 security requirements that are more detailed  
2 than in the current law. While RESA has no  
3 particular concern with this section, we just  
4 want to make sure that the dates that are  
5 listed in paragraph (b) are consistent with the  
6 dates that are in the law for Alternative  
7 Compliance Payments and the payment of the  
8 assessment.

9 2003.07 spells out how the assessment  
10 for funds to cover the PUC budget is paid. We  
11 think this is a good idea to spell it out in  
12 the rules, to eliminate any confusion and to  
13 notify suppliers of the fact that this is the  
14 case.

15 2004.02(d)(4) says that a supplier  
16 shall include in its terms of service "a  
17 statement that the price does not include...  
18 charges related to the delivery of service",  
19 and that the customer "will be billed  
20 separately" for charges related to delivery  
21 service. We think this wording needs some  
22 work, given that many suppliers bill through  
23 the distribution company, and thus it may not  
24 be a separate bill, a separate portion of the

1 bill, but, arguably, it's not "billed  
2 separately".

3 2004.02(e), which says that a  
4 supplier must "request that each residential  
5 and small commercial customer specify the  
6 preferred form of contact" has only two  
7 options, "electronic mail; or written  
8 correspondence delivered by U.S. Mail". RESA  
9 submits there should be more flexibility to  
10 keep up with changes in how people communicate,  
11 including allowing written correspondence  
12 delivered through other trackable delivery  
13 services, and through texts, where appropriate,  
14 for the type and length of information being  
15 submitted.

16 2004.03(b) includes certain  
17 requirements of what has to be both on the  
18 website and in the terms of service. RESA has  
19 some suggestions for language changes in this  
20 section, which we'll submit on the 27th. But,  
21 in particular, we would submit there ought to  
22 be more flexibility allowed in how suppliers  
23 notify customers, through a combination of  
24 written terms of service and through the

1 website, and through citations to where  
2 information can be found.

3 2004.03, on "Price Disclosure",  
4 particularly paragraph (d) contains some  
5 provisions which RESA believes should be  
6 modified. This section would require that  
7 "residential and small commercial customers be  
8 notified 30 days prior to the effective date of  
9 any increase in a variable price projected to  
10 increase by 10 percent or more". There are  
11 similar provisions being worked on in  
12 Connecticut and Rhode Island that would apply  
13 if the increase is 25 percent or more. RESA  
14 submits that's a more reasonable standard for  
15 this requirement, since it's designed to apply  
16 presumably to a situation where there's an  
17 extreme price increase.

18 Paragraph (f) says these customers  
19 must "be notified no less than 45 and no more  
20 than 60 days prior to the effective date of a  
21 change in the terms or structure of a variable  
22 price". And RESA would recommend a 30 to 60  
23 day window, 30 to 60 days prior to the  
24 effective date.

1                   2004.08 pertains to customer  
2                   authorization required for a change in  
3                   supplier. RESA submits there are approaches we  
4                   can accomplish this task other than the  
5                   exchange of letters. In other words, there are  
6                   approaches like this use of customer portals  
7                   that are customer-friendly and accommodate  
8                   technological change.

9                   In that same section, RESA applauds  
10                  the reference in Subparagraph (c), which seems  
11                  to account for more advanced ways of conveying  
12                  information.

13                  2004.11 concerns solicitation. As  
14                  noted in Paragraph (g), there are local  
15                  peddler's ordinances that have to be complied  
16                  with. And, as has already been mentioned,  
17                  Paragraph (e) imposes what amounts to really an  
18                  outright ban on door-to-door solicitations,  
19                  even if the supplier complies with local  
20                  ordinances.

21                  RESA is opposed to such a ban on  
22                  solicitation, submits that there are other ways  
23                  to address concerns about door-to-door  
24                  solicitation, such as including a separate

1 registration with particular standards that  
2 would have to met for a supplier that desires  
3 to do that kind of solicitation.

4 Puc 2004.11(g)(5) appears to give  
5 flexibility when it comes to dealing with a  
6 customer who has insufficient English skills.  
7 RESA believes that this is the right approach.

8 RESA submits that Puc 2004.12, which  
9 deals with off-cycle meter reading, is too  
10 limiting. It only allows a supplier to request  
11 this when there is nonpayment by a large  
12 commercial/industrial customer. We think there  
13 should be more flexibility to request an  
14 off-cycle meter reading. It's often for the  
15 benefit of a new customer, and giving more  
16 flexibility and be customer-friendly.

17 Puc 2004.13(a) concerns a transfer of  
18 customer accounts between suppliers and the  
19 requirement that a notice be provided at least  
20 30 days before a transfer. Since it seems  
21 quite likely that a situation could arise where  
22 this would have to be waived, we think this  
23 should cross-reference the waiver provision.  
24 If the Commission adopts our earlier

1 recommendation for a general statement about  
2 the ability to seek a waiver, this might not be  
3 necessary.

4 2004.13(a)(3) and (6) suggests that,  
5 by Commission rule, customers will have a right  
6 to elect an alternative supplier on notice of  
7 transfer to a new supplier. At least for large  
8 customers, assignment provisions are included  
9 in the terms of the agreement with the  
10 customer. And, for this reason, RESA believes  
11 this language is too much of a reach, and it  
12 interferes with the freedom of buyer and seller  
13 to negotiate their own contract terms.

14 2004.13(d) includes a requirement  
15 that refunds to customers be paid within 30  
16 days of the effective date of the transfer or  
17 sale. RESA recommends that that be changed to  
18 60 days.

19 2004.14 concerns a change in  
20 ownership of a supplier. Because changes in  
21 ownership take many different forms, and often  
22 can be delayed or modified, RESA believes this  
23 section may need some tweaking. It might also  
24 make sense to include a cross-reference here to

1 the section allowing a person to seek a waiver.

2 2004.18 concerns termination of  
3 service to a customer. It includes the term  
4 "material". We think that's unnecessary as  
5 used in that particular section. Typically, an  
6 agreement with a customer lists certain things  
7 that trigger termination, and use of the term  
8 in this context may contradict provisions in  
9 the agreements.

10 2004.18(b) contains a provision that  
11 limits a supplier to having one contact with a  
12 residential or commercial customer prior to  
13 sending a termination notice. RESA submits  
14 it's often to the benefit of the customer to  
15 have more than one contact prior to  
16 termination, given how busy many customers'  
17 lives are today.

18 And, then, in connection with Part  
19 2005, RESA submits that the rules should  
20 incorporate a reference to an opportunity for  
21 the Commission to offer mediation and/or  
22 arbitration as a means of avoiding the need for  
23 a full hearing on a complaint. Many other  
24 states offer this service, and it ends up

1 serving the interests of the customers and the  
2 Commission by saving time unnecessarily spent  
3 in hearings. RESA believes it would behoove  
4 the Commission to have on its staff a person or  
5 persons trained in mediation to help resolve  
6 matters without a hearing.

7 And, then, finally, Puc 2005.05  
8 contains a broader list of factors than in the  
9 current rules of what the PUC is to take into  
10 account when assessing fines or imposing  
11 sanctions. We think this is a step in the  
12 right direction. It offers the Commission more  
13 flexibility when it makes decisions.

14 Thank you for the opportunity to  
15 provide comments today. And, as I indicated  
16 before, we intend to provide more detail on  
17 suggested language by January 27th.

18 CHAIRMAN HONIGBERG: All right.  
19 Thank you, Mr. Patch. The next three speakers:  
20 Marc Hanks, Rob Munnelly, and Steve Toler  
21 probably. It's hard to read the name.

22 MR. HANKS: Thank you, Mr. Chairman.  
23 And good afternoon, Commissioners. Marc Hanks,  
24 senior management with Direct Energy. I'm



1 going to be echoing some of the comments that  
2 Attorney Patch made on behalf of RESA. But my  
3 comments are going to be more limited to a  
4 certain section that we'll get into.

5 I first wanted to mention that Direct  
6 Energy is a subsidiary of Centrica, a Fortune  
7 Global 500 company based in the UK, formerly  
8 known as British Gas. Direct Energy is one of  
9 the largest competitive retail and wholesale  
10 providers of electricity, natural gas, solar,  
11 and home energy efficiency services in all of  
12 North America. We have about 5 million  
13 customer relationships under various brands in  
14 46 states, including the District of Columbia,  
15 and 10 Canadian provinces. Direct Energy, we  
16 serve residential, small commercial, Large C&I  
17 electricity and natural gas customers in the  
18 State of New Hampshire.

19 The Chairman -- you mentioned the  
20 well-designed and robust competitive retail  
21 market in New Hampshire. We would agree with  
22 that. One of the promises of retail electric  
23 competition is for retail suppliers to bring  
24 innovative and creative products and services

1 to all classes of customers, but especially, we  
2 believe, to residential and small commercial  
3 customers. We have embarked on that effort.  
4 As of last March, we are serving the  
5 residential so-called "mass market" customers  
6 in New Hampshire. We believe that we're  
7 offering competitive products and services.  
8 Some of those services are just not focused on  
9 a competitive price in comparison to the  
10 utility default service price, but would be  
11 bundled with an array of services. Some of  
12 those services may be, for example, a Nest  
13 thermostat, home warranty plans, and other  
14 types of energy efficiency measures. We  
15 believe that consumers are looking for those  
16 kinds of products and services, and not just a  
17 direct comparison on a unit base price of one  
18 kWh compared to another.

19 As a member of the Retail Energy  
20 Supply Association, Direct Energy has  
21 contributed and we wholeheartedly support the  
22 comments presented by Doug Patch. As we move  
23 forward, I have some limited comments that  
24 pertain to Pu [Puc?] Section 2004.11, the

1       solicitation of customers, as put forward in  
2       the Commission's Initial Proposal.

3               Specifically, Direct Energy is  
4       opposed to the inclusion of Section (e), which  
5       states "Unless requested by the potential  
6       customer no less than 24 hours in advance, no  
7       [retail supplier] or aggregator, or its  
8       representative, shall solicit a potential  
9       residential customer in person at the  
10      customer's residence."

11              While technically not an outright ban  
12      on door-to-door sales channel, the imposition  
13      of a 24-hour advance arrangement with the  
14      customer effectively amounts to an outright ban  
15      of this particular sales channel in practical  
16      business terms.

17              With respect to door-to-door sales,  
18      it has and can have, if done correctly, a very  
19      positive and enlightening impact for customers.  
20      It's an opportunity to explain oftentimes a  
21      very complex sale to new initiants with respect  
22      to those that are shopping for electricity  
23      supply for the first time. It takes them  
24      through a process and is a means of educating

1 customers.

2           So, first, let me state that Direct  
3 Energy clearly recognizes the high-impact  
4 nature of the door-to-door sales channel. But,  
5 rather than establish an outright ban, we would  
6 alternatively propose, respectfully, that the  
7 Commission consider raising the bar for those  
8 retail suppliers that plan to utilize this  
9 particular sales channel. And, specifically,  
10 we mean by imposing extra or supplemental  
11 licensing conditions or other requirements.  
12 And, by "raising the bar", I mean that retail  
13 suppliers are required to meet more stringent  
14 licensing requirements that may include, but  
15 not be limited to the following: Retail  
16 suppliers may be subject to a higher licensing  
17 fee to be determined; retail suppliers may be  
18 subject to a higher security deposit or bonding  
19 requirement; retail suppliers may be required  
20 to submit a sales quality review or sales  
21 quality assurance framework that identifies the  
22 processes, the plans, the protocols for  
23 effectively managing this particular sales  
24 channel, specifically in the area of employee

1 or vendor training, the area of employee or  
2 vendor oversight and management, the kinds of  
3 training that relates to the presentation of  
4 sales techniques that are consumer-friendly,  
5 the kinds of tactics and approaches that  
6 represent the appropriate badging and  
7 identification of a competitive supplier at the  
8 door, so that there's no confusion that they  
9 may be misrepresented as a representative of  
10 the local distribution utility.

11 We also suggest that retail suppliers  
12 may be subject to new door-to-door sales  
13 protocols. For example, retail suppliers may  
14 be required to notify the New Hampshire Public  
15 Utility Commission at least five business days  
16 prior to the commencement of a door-to-door  
17 sales campaign, and provide to the Commission  
18 summary information that would be helpful and  
19 informative to Commission Staff. That  
20 information may be, again, expressed in a  
21 summary form, but it would identify the  
22 community or communities that would be targeted  
23 to a door-to-door sales campaign. It would  
24 identify the start date of the campaign. It

1 would look at confirmation or providing  
2 confirmation, a statement that recognizes that  
3 local solicitation permits or licensing  
4 obtained by the local -- from the local  
5 municipality have indeed been presented and  
6 would be, again, documented before the  
7 Commission. There would also be an approximate  
8 end date of the campaign.

9           Retail suppliers may be subject to  
10 providing additional information at the door.  
11 In New York State, for example, there is a  
12 Consumer Bill of Rights that is required. It's  
13 a handout that expressly introduces the  
14 customer to the retail supplier. Makes very  
15 clear that the retail supplier is not part of  
16 the local distribution utility. It explains  
17 the rights of the retail supplier to -- or, to  
18 the customer of the regulations and rules that  
19 are in effect in the State of New Hampshire.  
20 And it's something that we believe would be  
21 very beneficial and informative to maintain the  
22 integrity of this particular sales channel.

23           As we move forward with this  
24 particular channel, there are variations that I

1 think can be achieved as well by utilizing  
2 door-to-door sales. So, one approach that we  
3 have been experimenting with with respect to  
4 Direct Energy, as I mentioned, it's an  
5 opportunity to educate and inform consumers at  
6 the door regarding complex sales and  
7 information related to our products and  
8 services. But the approach that we're talking  
9 about that could be used here in New Hampshire  
10 would be essentially knocking on the door of  
11 the perspective customer, presenting the  
12 product offerings and services that are  
13 available to the retail supplier, but not  
14 necessarily enroll the customer at the door.

15 One of the things that may be simply  
16 is a leave-behind, and an opportunity to glean  
17 from the customer important information, like  
18 their telephone number or e-mail address. And,  
19 if there's an interest on behalf of the  
20 customer to subsequently provide to that  
21 customer information via Web or text about an  
22 offer that could be customized or has been  
23 expressed some interest on behalf of that  
24 customer to look more into that particular

1 offer.

2 We believe that that approach could  
3 be something that could be tried here in New  
4 Hampshire. We think it could be beneficial.  
5 It may reduce some of the potential confusion  
6 at the door as well. It would give consumers  
7 an opportunity to digest, in the comfort of  
8 their home or looking at their e-mail or their  
9 text messages, an opportunity to better assess  
10 a competitive offer.

11 Additionally, as reflected in the  
12 same section, in Subpart (f), under  
13 "Solicitation of Customers", "A competitive  
14 supplier or aggregator, or its representative,  
15 may contact a potential residential customer in  
16 person at a location other than the customer's  
17 residence, for the purpose of selling any  
18 product or services offered by that supplier or  
19 aggregator."

20 Direct wholeheartedly supports this  
21 provision. However, we encourage the  
22 Commission to go further with this provision to  
23 expand this as a new or potentially new sales  
24 channel in the following manner: Direct, like



1       other retail suppliers in other state  
2       jurisdictions, have the opportunity to sell at  
3       a retail store, at a kiosk at a mall, or at  
4       special events. However, unlike  
5       telecommunications, where the mobile number of  
6       a customer is really their account number, most  
7       competitive suppliers, when faced with that  
8       opportunity, asks the consumer about their  
9       account number, they can't recall. They don't  
10      have that on hand.

11               What we're suggesting, similar to  
12      states like Pennsylvania and New York, that, in  
13      New Hampshire, the electricity consumer can  
14      obtain their account number by logging on to a  
15      secure Web portal or calling a special 1-800  
16      number, and providing basic information in the  
17      form of an account lookup process. That basic  
18      information may include simply a name, a street  
19      address, the telephone number of that customer  
20      or consumer, and potentially the last four  
21      digits of their social security number.

22               We encourage the Commission to  
23      consider this sales channel as a means to  
24      accelerating competition in the State of New

1 Hampshire.

2 And, lastly, I would just thank you  
3 for the opportunity to present today. We will  
4 provide this in more detail in our written  
5 comments next Friday. Thank you very much.

6 CHAIRMAN HONIGBERG: Thank you,  
7 Mr. Hanks. Next up we have Rob Munnelly,  
8 Steve, I'll go with "Tower" this time, and  
9 Matthew Fossum.

10 MR. MUNNELLY: Thanks. Is this on  
11 here? There we go. Thank you very much.

12 Okay. Good afternoon. And thanks  
13 for the opportunity to comment on this Initial  
14 Proposal. I'm here on behalf of several of my  
15 supplier comments [clients?], some of them are  
16 licensed here, some of them want to be licensed  
17 here in the near future, and they are very  
18 interested in what you have going today.

19 You'll see that the issues that I'm  
20 going to raise are similar to many that have  
21 been brought before. I'll start at the  
22 opening, on the outset, it's not in the rules,  
23 but I support Clearview's comment about coming  
24 up with some type of customer list option, such

1 as was mentioned in Pennsylvania. That's a  
2 very helpful option and it should be part of  
3 these rules if at all possible.

4 Okay. Just generally in terms of  
5 these rules. Again, my clients have been in  
6 New Hampshire for quite a while. I've been  
7 practicing up here in front of you for quite a  
8 while as well. My general point on that is I  
9 agree with Mr. Wiesner's comments up front.  
10 This has been a very good competitive  
11 marketplace in New Hampshire. There's a lot of  
12 customers on competitive supply. Staff has  
13 been incredibly helpful. We view it as a  
14 success story.

15 Based on that record of success, and,  
16 again, it's understandable, it has happened in  
17 many states in New England, that the time comes  
18 to get to Version 2 of the competitive supplier  
19 rules, because we have experience now, we need  
20 some changes. All that's great.

21 But we were surprised and  
22 disappointed that the step up, it didn't just  
23 cover kind of the obvious gaps and clean-up  
24 versions. It went farther and it went to a

1 point where I thought that there was an element  
2 of overregulation in very many of these  
3 provisions. And that's one of the reasons why  
4 I think you've seen very lengthy comments from  
5 the other competitive suppliers in the room.

6 You know, my clients certainly ask  
7 that you take a look at these comments very  
8 closely, and give thought to the very many  
9 specific changes that are being suggested, so  
10 that you can have a really workable set of  
11 rules that really keeps New Hampshire as a  
12 success story in this area.

13 I'm going to focus my first point,  
14 I'm going to jump around a little bit, as well  
15 as some of the others have, but I'm going to  
16 try to piggy-back on some of them so that it  
17 cuts down on the length of my presentation.

18 First of all, I agree with the  
19 comments of Clearview and with Direct and RESA,  
20 we're very concerned about the ban, what's  
21 essentially, in practice, a ban on door-to-door  
22 sales. It's not been adopted anywhere in the  
23 country to our knowledge. It's just something  
24 that sends the wrong message to the market that

1       you're going to have a complete ban on  
2       something. Especially where I'm not aware of  
3       that many instances of Commission concern about  
4       door-to-door sales. I mean, there's certainly  
5       been some, but it hasn't been the type of thing  
6       where we've seen such a systematic set of  
7       problems that would justify a ban. Just keep  
8       in mind as a general matter, this whole set of  
9       these rules are supposed to, I think, appear to  
10      be intended to give strength to the Commission  
11      in its ability to review suppliers, it beefs up  
12      sanctions, it beefs up licensing. It's the  
13      type of thing where you should probably let  
14      those rules work in practice. And if, for some  
15      reason, you have an irredeemable problem with  
16      door-to-door sales, at that point maybe you can  
17      start talking about a ban. But, at the outset,  
18      I think you should let these rules do their  
19      work and allow door-to-door sales happen with  
20      increased consumer protections.

21               Keep in mind that the rules  
22      themselves make that very easy, because there's  
23      a Subsection (g) in the section on door-to-door  
24      sales, where it has additional consumer

1       protections that would apply to the sales that  
2       do -- that are permitted under the rules. So,  
3       you already have a set of beefed up consumer  
4       protection requirements that are there.

5               Certainly, you can consider some or  
6       all of the ones that Mr. Hanks has spoke about  
7       for Direct Energy as well. Certainly some of  
8       them makes sense, such as a leave-behind, with  
9       contact information, basic rights, that's  
10      something that you might find some support.

11             But I think, for the most part, you  
12      have it. Section (g), maybe dressed up a  
13      little bit, I think, and then allow the  
14      door-to-door sales to continue, and then watch  
15      the suppliers. Again, if that's something that  
16      the good suppliers should be able to operate;  
17      the ones with concerns, you can deal with  
18      through the ordinary processes.

19             But I think, anyway, essentially a  
20      ban is really not a good idea, and it sends the  
21      wrong signal to the competitive market and is  
22      bad for consumers.

23             The second one is a less -- in some  
24      respects, a less serious one, but it is one

1       that I think does need to be addressed. It  
2       deals in telemarketing. There was an old  
3       provision in the last set of rules at -- it's  
4       also within 2004.11, and it deals with what to  
5       do with telemarketing calls, and in particular  
6       it deals with when you can initiate a sales  
7       call. And there's a subsection, which I will  
8       get to, and I apologize, sorry about that,  
9       it's -- we're looking at 2004.11, Subsection  
10      (c), and within that another section, it's a  
11      sub c without parens around it. That is when  
12      you can initiate a call. And it contains the  
13      obvious things. You're not supposed to call a  
14      911 or that type of emergency system. But it  
15      goes on to say you can't call a wireless  
16      number, you can't call a cellular telephone  
17      service, or any other call where the calling  
18      party is billed.

19               Now, I realize that that was in the  
20      original rules, the current rules that are in  
21      place. But right now that's probably not an  
22      appropriate provision. Very many customers now  
23      have gone -- cut off the cord and are wireless  
24      only. So, by keeping the ban on cellular

1 telephone system in the rules, you're denying  
2 the ability of suppliers to market to many  
3 customers in New Hampshire.

4 On top of that, it raises a  
5 compliance issue, because ordinarily the  
6 customer -- the Company may very well not have  
7 transparency as to what's a wireless call,  
8 what's a landline call. You run the risk of  
9 calling people based on whatever information  
10 you have at hand. And turning out later on  
11 it's a wireless call and end up getting fines  
12 and sanctions under the other provisions of the  
13 agreement.

14 It's just something that you should  
15 be cutting off that section dealing with the  
16 subsection c, about "paging services, cell  
17 services", "services for which the calling  
18 party" -- "called party is charged for the  
19 call". You can cut that out these days. I  
20 think most people have cellphones and have  
21 all-you-can-eat service plans. It's not  
22 something they're going to pay a lot of money  
23 if somebody makes a telemarketing call to them.

24 So, it's something that's a clean-up



1       measure, but I would say let's do it, because  
2       it hasn't been mentioned by anybody else here  
3       today.

4               The third one I want to focus in on  
5       is also in 2004, in .03, it's dealing with  
6       "Price Disclosures". And, in particular, the  
7       price disclosures dealing with variable rate  
8       products. This Section 2004.03 is really long.  
9       It's, you know, it's several -- it's many pages  
10      on this point, especially the ones dealing with  
11      on Subsection (b), where you're talking about  
12      what you have to include when you're offering a  
13      variable price product. It sets up a  
14      bifurcated system that first you can offer a  
15      price that's based on a LMP-based index price  
16      is one option, and then you have disclosures if  
17      you do that route. One thing I'll note is  
18      that, from my clients' understanding, there are  
19      very few index-type products that are being  
20      used for residential customers and small  
21      commercial customers. So, it's fine to feature  
22      it and give it as an option. But it's  
23      something that it's not something that's in the  
24      market very much right now. And, to some

1 extent, they try to force suppliers to create a  
2 new product, it's likely to be unsuccessful,  
3 and will then shift to the second part of the  
4 process, which is "what do you do if you don't  
5 have an index-based price?"

6 In that case, you've set up, in the  
7 second part of that, you have nine specific  
8 subcomponents. Some of which were mentioned  
9 earlier by Mr. Mondschein, and I think by some  
10 others as well here. But there's a lot of  
11 provisions in that dealing with that. It  
12 includes, you know, that you have to have a  
13 clear statement that you don't have a market  
14 price. And, again, I have no idea what  
15 customers are going to say about that, because  
16 they don't understand the context of that. So,  
17 it's going to confuse customers.

18 You then have to further describe  
19 each additional component. And, again, that's  
20 something that was mentioned, that that is  
21 both -- that it's ambiguous of what that means.  
22 Because right now almost every supplier's  
23 contracts have a provision for variable price  
24 that says "our price consists of energy prices,

1 plus overhead, plus this, plus that, plus  
2 profit, plus market flexibility, and that type  
3 of thing. If that's what that means, that's  
4 fine.

5 If you're really going to mean that  
6 they have to deal with it in an extreme level,  
7 that's competitively sensitive, and I think  
8 almost every supplier is going to have a  
9 problem with that. So, I would say that's  
10 something you should watch for.

11 You then have to describe the  
12 frequency of variation of the product, you have  
13 to provide a monthly average price. You have  
14 to do a graphical display. You have to provide  
15 them with maximum prices for a similarly  
16 situated retail customer. You have to include  
17 price floors, price caps. You have to provide  
18 a website.

19 These nine different things are  
20 overkill. It is something that is going to be  
21 really hard to implement, especially since I  
22 doubt that people are going to be offering  
23 these index-priced products. And it's  
24 something that should be simplified and made

1 much cleaner on that. Such as, you know, take  
2 the artificial part and marketing piece out.  
3 Require a clear provision that -- of that  
4 either that there's not price caps, or unless  
5 there are price caps. And, you know, just  
6 maybe even, if you're going to do the  
7 backwards-looking prices, you can do the  
8 backwards-looking prices. That's something  
9 that's been done in other states, even though a  
10 lot of people, you know, it doesn't -- there's  
11 no promise of future events with a  
12 backwards-looking chart.

13 But whatever it is, that's  
14 something -- I think that it's a great -- in  
15 concept, I can understand what's happening.  
16 But, in practice, it's going to be really hard  
17 to implement, and it's going to cause problems.  
18 And it just means that suppliers will have --  
19 will drop variable prices in New Hampshire.  
20 They'll start doing fixed price contracts for  
21 when they renew. And that's not always good  
22 for customers. Sometimes you get to the end of  
23 a contract, customers want -- they want a  
24 short-term variable price for a couple months

1 while their making up their mind what to do.  
2 And, in this case, you're driving them away  
3 from variable pricing, becomes fixed to fixed,  
4 and you get problems with customers who say  
5 "Wait a second, I automatically renewed to a  
6 fixed. I don't want to do that." They try to  
7 get out. It's something that customers don't  
8 like. And I'd say a little flexibility on  
9 variable pricing would be helpful.

10 CHAIRMAN HONIGBERG: I have a  
11 question, Mr. Munnelly.

12 MR. MUNNELLY: Sure.

13 CHAIRMAN HONIGBERG: Isn't it a  
14 useful piece of information for at least some  
15 consumers who do track their own bills to say  
16 "Well, here's my usage for the last year. What  
17 would I pay you under this variable term?"  
18 Isn't that exactly what a lot of consumers  
19 would want to know?

20 MR. MUNNELLY: It's certainly -- it's  
21 certainly probative information at some level.  
22 It's not perfect information, because you can't  
23 tell if the same price patterns will happen  
24 going forward. But, again, it's -- the

1 looking-backward prices is something that has  
2 been used in other states. If it's something  
3 that the Commission wants to incorporate, I  
4 don't think my clients would object to it.

5 But I'd say a simplified provision  
6 of, say, something that clearly describes  
7 either that there are no price caps, or if  
8 there are price caps on a product, plus a  
9 backward-looking chart so you can look back on  
10 how the performance has been, I think that's  
11 preferable to the nine-factor thing you have  
12 now.

13 CHAIRMAN HONIGBERG: All right.  
14 Thank you.

15 MR. MUNNELLY: Okay. One other thing  
16 with the -- in terms of the variable price  
17 pieces on this, and it's been mentioned by I  
18 think Mr. Patch earlier, that right now there's  
19 a provision that says if the variable price  
20 goes up 10 percent, you have to send a notice  
21 ahead of time. Other states -- other states  
22 have gone much higher than that, to 25 percent.  
23 And, again, Mr. Patch covered that, I don't  
24 want to recreate what he said, but one thing to

1 keep in mind as a practical matter is that  
2 having a 10 percent one is going to have  
3 pricing impacts. For example, a supplier may  
4 have a price that's worked fine, the market  
5 prices have gone down, they may not want to go  
6 down, because, if they end up going back up 10  
7 percent, they're going to have to send a  
8 notice. They'd be more inclined to keep their  
9 price at a stable point to avoid the need to  
10 keep sending notices to people.

11 So, you might, by having this rule,  
12 it may have the counter impact that the  
13 suppliers won't want to drop their prices to  
14 avoid these notices. So, I'd say a higher  
15 threshold is a good idea for all sorts of  
16 reasons on that.

17 Okay. I want to shift gears to  
18 customer -- transfers of customers' accounts in  
19 2004.13. Again, there's -- assignment  
20 provisions are common. There was one in the  
21 current rules. This changes in a couple ways.  
22 Again, most of the changes are fine, but there  
23 are two that raise concerns.

24 The first one is that, in Subsection

1 (b) of the rules, it has a provision that, when  
2 somebody -- you assign your customers to  
3 somebody else, the customer has the right to  
4 leave, and it also provides that any  
5 termination fee is waived. That's  
6 inappropriate. The contracts typically permit  
7 assignments. The contracts set the terms and  
8 conditions for when a termination fee kicks in.  
9 You know, ordinarily, the reason there's  
10 termination fees is, in a long-term contract,  
11 the supplier has to hedge and pay money to  
12 protect against the possibility of a customer,  
13 you know, leaving early, and there's costs  
14 associated with that.

15 There's no reason why the mere fact  
16 of an assignment should justify waiver of a  
17 termination fee in all cases. It's just not  
18 the type of thing that's appropriate. This has  
19 been looked at in other states that I'm aware  
20 of, and all the states have kept the  
21 termination fee provision in. So, that part of  
22 it should drop.

23 The second part is the 30-day notice,  
24 and Mr. Patch mentioned that as well, that you



1        need 30 days notice. The concern I have on  
2        that is that, in some cases you have a supplier  
3        who's failing, you know, maybe the PNE  
4        situation we had a couple years ago. And  
5        there's no way in heck that, if a buying  
6        supplier is coming in, that they're going to  
7        meet the 30-day requirement. It's just not  
8        going to happen. The transaction is moving  
9        that fast.

10                What you often, in other states have  
11        done, is they have had some type of exigent  
12        circumstances provision. So that, in a case  
13        where you can't meet the 30 days because of  
14        business exigencies, that it sets up an  
15        alternative "best efforts" notice provision.  
16        That type of thing I think would be something  
17        you should consider, because you don't want to  
18        have a situation where a transaction fails  
19        because they can't meet the notice requirements  
20        of a month in advance.

21                Again, I'm not opposed to the  
22        RESA's -- to Mr. Patch's comment that a waiver  
23        may be appropriate, but that also puts pressure  
24        on both the provider and on the Commission to

1       be able to get the paperwork in for a waiver  
2       and get it granted. It's probably easier to  
3       just have an exigency provision somewhere in  
4       rules that, you know, Massachusetts did that on  
5       the rules they're working on, and some other  
6       states have done the same. I think Connecticut  
7       has as well. So, that's something to keep in  
8       mind. It's one that would make this provision  
9       work better.

10               I do -- I was going to raise the  
11       financial security issues, but they have been  
12       covered by other parties. So, I'm going to  
13       hold off on that one, for that one.

14               I do want to talk -- the next thing  
15       I'm going to talk about is the -- it's the  
16       issue of renewal registration for CEPSS. I  
17       think that that's been mentioned by a couple of  
18       different people here, that right now there's a  
19       whole new set of rules, both for initial  
20       licenses and for renewal registrations. That  
21       you get information from a whole bunch of  
22       sources, including out-of-state, and then  
23       you -- and then, especially in the renewal  
24       context, there's these factors, and then says

1       that -- the provision says that the Commission  
2       "shall deny renewal" if these circumstances  
3       happen. That's really bad in the context of a  
4       renewal. You have a company that's in business  
5       in Connecticut, it has employees, it has  
6       management, it has -- it has a business that's  
7       going. And, if the Commission has concerns, we  
8       would be supporting that there should be Staff  
9       dialogue with the supplier to be able to talk  
10      about the concerns and try to reach a  
11      resolution, before you end up just having a  
12      denial. Because, as Commissioner Bailey  
13      mentioned earlier, yes, in that context, you  
14      can do the reconsideration motion type thing.

15               But the problem is that, from a  
16      supplier standpoint, any time a state takes a  
17      negative action on a license, it's a huge deal.  
18      It usually has to be reported across their  
19      footprint. It causes big problems everywhere.  
20      Just I'd watch the wording of that 2003.02(d),  
21      so that it doesn't have an automatic denial in  
22      those circumstances. Having the word "may" in  
23      there would be helpful. Having something that  
24      would -- that would encourage or permit Staff

1 reach out to the suppliers when they have  
2 concerns in their renewal context, it would be  
3 very helpful. I really just don't want to be  
4 in the position where you have automatic  
5 denials before the supplier is even aware that  
6 there's a problem.

7 Okay. I'm getting towards the  
8 "wrapping up" point now, for planning purposes.  
9 I do want to -- one of them is a very practical  
10 one, and especially for somebody like me, who  
11 represents suppliers. We're dealing with the  
12 issue of enforcement and sanction provisions,  
13 when something goes wrong. We very strongly  
14 support the idea that you have a detailed  
15 notice of violation provision that can be --  
16 with as much detail as possible that can go  
17 responded to. That's a much more efficient way  
18 of dealing with things, and we certainly  
19 support that.

20 But the concern I have, though, is  
21 that right now the rules, at 2005.01(c), gives  
22 suppliers only ten business days to respond to  
23 an NOV. Ten business days is really short, you  
24 know, because you're going to get the notice,

1 receive it, you know, there's going to have to  
2 be the evaluation by the Company, they're going  
3 to hire their outside counsel, they're going to  
4 have to work together to work up a detailed  
5 response. And ten business days is just not  
6 all that long. It should be twenty days, or at  
7 least fifteen business days. Because otherwise  
8 what's going to happen is you're going to get a  
9 crappy, excuse my wording, response that  
10 doesn't have the detailed analysis that you  
11 guys are going to want in order to resolve this  
12 appropriately. Having a little more time will  
13 come up with a better product for everybody.  
14 So, I just ask for some flexibility on that  
15 point.

16 The second piece would be, it's an  
17 issue that's endemic through the enforcement  
18 provisions in the rules, is that they define  
19 sanctionable event, which is -- and then at  
20 that point it starts -- all the provisions  
21 start taking "shall". You know, "shall assess  
22 fines", "shall suspend the supplier", "shall  
23 suspend the registration", "shall revoke the  
24 registration". It's -- the concern I have

1       again is that I would much more prefer to see  
2       the "mays" in those things, because you need to  
3       have some discretion. There's a -- in many  
4       cases what happens, if there's a real problem  
5       that's justifying a sanction, the supplier  
6       investigates and finds out that one of its  
7       sales agents or one of its sales marketing  
8       companies has not been doing a good job. And  
9       the Company may very well come back, turn  
10      around, and find the problem, fix the problem  
11      through strict action, and they apologize, they  
12      take full responsibility for it, and then you  
13      start running into all these "shalls".

14               And the concern would be is that  
15      somebody who has done a good job of coming back  
16      from the problem may at least potentially be  
17      sanctioned and --

18               CHAIRMAN HONIGBERG: I'm going to  
19      stop you, Mr. Munnelly.

20               MR. MUNNELLY: Yes.

21               CHAIRMAN HONIGBERG: I can assure you  
22      we are going to take a look at these rules with  
23      an eye toward those comments in particular.

24               MR. MUNNELLY: Yes.

1 CHAIRMAN HONIGBERG: But how many  
2 current -- I mean, how many former state  
3 employees are there in the room who have dealt  
4 with the rulemaking process and the lawyers at  
5 the Office of Legislative Services? Let me see  
6 a show of hands.

7 *[Show of hands.]*

8 CHAIRMAN HONIGBERG: One of their  
9 triggers --

10 MR. MUNNELLY: Uh-huh.

11 CHAIRMAN HONIGBERG: -- is the word  
12 "may". And they will cross it out and write  
13 "shall" every time they see it. I mean, that's  
14 an exaggeration. But the process does not  
15 invite agency discretion. It encourages  
16 agencies, in fact, to lay out a criteria and  
17 then say "this is what you'll do if you find  
18 these things."

19 We will, I guarantee you, we will  
20 take a look at this. It's a very frustrating  
21 thing for a lot people who have worked in state  
22 government and the Executive Branch dealing  
23 with rules. So, we are sympathetic, and I  
24 understand the substantive points you are

1 making about that, and do not disagree or take  
2 issue with your concerns about them. And I  
3 promise you will take a look at them.

4 But just I encourage you, speak to  
5 one of the folks in the room who raised his or  
6 her hand and you'll probably have triggers from  
7 them as well.

8 MR. MUNNELLY: That's a very helpful  
9 clarification. Thank you, Mr. Chairman.

10 I guess the one thing to look back on  
11 that would be the wording of it, it's 2005.05,  
12 which allows for mitigating circumstances.  
13 Maybe that's the area where you can  
14 cross-reference to these provisions so that  
15 you're not boxed in fully, that mitigating  
16 circumstances can apply notwithstanding the  
17 "shalls". That would be great.

18 I think that I am going to -- I'm  
19 going to stop here. I don't -- again, there's  
20 been a lot of commentary that I support in the  
21 room. I'll address some of that in written  
22 comments. And I really appreciate the  
23 opportunity to have these comments to you.  
24 Thank you.



1 CHAIRMAN HONIGBERG: Thank you,  
2 Mr. Munnelly. Mr. Tower, followed by I think  
3 the only other speaker who signed up is Matthew  
4 Fossum.

5 MR. TOWER: Good afternoon. My name  
6 is Steve Tower.

7 *[Court reporter interruption.]*

8 MR. TOWER: Good afternoon. My name  
9 is Stephen Tower. I'm with New Hampshire Legal  
10 Assistance. I'm here with my associate, Dennis  
11 Labbe. We will be filing written comments. I  
12 just wanted to make one brief point. And,  
13 then, if possible I'd like to turn the mike  
14 over to my colleague, Dennis, to continue  
15 making some points for us.

16 But there were some comments made  
17 about modifying these proposed rules so that  
18 direct solicitation calls could be made to  
19 cellphones. And, as attorneys at New Hampshire  
20 Legal Assistance, our client base are  
21 low-income residents in New Hampshire. And,  
22 essentially, all of our clients who have  
23 cellphones don't have unlimited phone call  
24 cellphones, they have prepaid minute phones.

1 And, when clients such as ours who have prepaid  
2 minute phones receive unsolicited calls, it  
3 uses up those minutes that they have paid for,  
4 and they have to then use what money they have  
5 available to purchase more minutes on their  
6 phone.

7 So, the possibility of them having  
8 their cellphones opened up to unsolicited calls  
9 is something that we would be concerned with,  
10 and we hope the Commission would consider when  
11 looking into these rules.

12 And, with that, I'd like to pass the  
13 mike over to Dennis. Thank you.

14 CHAIRMAN HONIGBERG: Mr. Labbe.

15 MR. LABBE: Thank you, Commissioners.  
16 And I apologize for the poor handwriting on  
17 Steve Tower's name.

18 CHAIRMAN HONIGBERG: You're taking  
19 ownership of that, Mr. Labbe?

20 MR. LABBE: I am taking 100 percent  
21 ownership.

22 CHAIRMAN HONIGBERG: I note I could  
23 read your name perfectly.

24 *[Laughter.]*

1 MR. TOWER: Thanks.

2 MR. LABBE: Like Steve said, we are  
3 going to submit some written comments. But  
4 there were a couple things that I think are  
5 pretty easy fixes that maybe can be addressed  
6 right now. So, on the consumer protection  
7 requirements, Puc Rule 2004.02, Section (d),  
8 Section (5), I would suggest adding a clause to  
9 the end of that sentence, requiring the  
10 disclosure be particular to where the  
11 residential customer is located. So, we'll  
12 work up some language in accounting where the  
13 residential customer is located would be  
14 helpful. Simply saying there may be "programs  
15 available", that's really not useful  
16 information, unless there's maybe a website or  
17 a telephone number that's particular to where  
18 that person actually lives and services may be  
19 available.

20 Let's see. One other thing. On  
21 Section (14) of that section, I would suggest  
22 maybe giving an additional day or two, for  
23 Section (14)(b), in terms of how long a person  
24 has to rescind the terms of a contract. Some

1 of these competitive suppliers are not all that  
2 local, and this mail may be coming from like  
3 Texas or California. So, they're really being  
4 limited if, you know, say it takes two or three  
5 business days to get there, they only have two  
6 or three business days to rescind. So, I  
7 think, even if someone chooses mail, especially  
8 it's a concern for low-income customers, where  
9 a lot of them don't have computers or internet,  
10 so e-mail may not be an opposition. So, they  
11 should get the same ability for rescinding  
12 contracts as anybody else.

13 And the last point I would like to  
14 make is not particular to any rule amendment,  
15 but it concerns maybe an additional regulation  
16 that would provide notice to anyone signing up  
17 that, if they are a low-income customer,  
18 whether or not that rate will receive a  
19 discount from the Electric Assistance Program.  
20 The current status is no competitive supplier  
21 rate receives that discount, as I'm sure the  
22 Commissioners are aware. I can't speak for the  
23 EAP Advisory Board, although I am a member of  
24 it, but, you know, that is being looked at

1 right now, as to whether, you know, we could  
2 work it out where, you know, low-income  
3 customers have the same option to use  
4 competitive suppliers as everybody else,  
5 without having, you know, an economic penalty  
6 for making that choice.

7 But I think it would be helpful if,  
8 at the very least, when you're signing up for a  
9 service, it tells you "you're going to lose the  
10 discount if you choose this rate".

11 And I think those are all the  
12 comments I have. And we'll provide some more  
13 detailed comments in writing. Thank you.

14 CHAIRMAN HONIGBERG: Thank you, Mr.  
15 Labbe. Thank you, Mr. Tower.

16 Mr. Fossum, I think you're up.

17 MR. FOSSUM: Thank you. For the  
18 record, Matthew Fossum, here for Public Service  
19 Company of New Hampshire doing business as  
20 Eversource Energy. And, like many of the  
21 others who have spoken so far, I'll just note  
22 that we do intend to file comments next week.  
23 They'll be more extensive than what I intended  
24 to offer here today. But I just wanted to hit

1 on a couple of points today that I thought were  
2 particularly important, as well as just take a  
3 moment to respond to a couple of things that  
4 I've heard this afternoon from some of the  
5 other speakers.

6 So, with that said, so I'll run  
7 through the regulations that we had comments  
8 on, and start with 2003.03(b) and 2005.06.  
9 Both of those regulations set out various  
10 charges that may be made against the financial  
11 security that's posted by a supplier, but do  
12 not mention any charges that -- or expenses  
13 that may have been incurred by the utility  
14 being paid in that list.

15 There are some provisions in the  
16 rules that permit the utility to charge the  
17 supplier for certain services. But our concern  
18 is that, if there are circumstances where, for  
19 example, a supplier is terminating its  
20 business, whether willingly or otherwise, there  
21 may not be anybody to send a bill to. And, so,  
22 we would like to see some language added that  
23 would put some utility charges into that stack  
24 of payments.

1                   Next is 2003.08. It references that  
2                   a supplier may be permitted to withdraw its  
3                   registration "if there are no pending customer  
4                   complaints against" that supplier. There may  
5                   be instances where there are complaints that  
6                   are not customer complaints. They could come  
7                   from a utility perhaps, or even from the  
8                   Commission itself. And, so, it's our thought  
9                   that that language should be revised to note  
10                  that all outstanding issues for complaints  
11                  would need to be addressed and handled prior to  
12                  withdrawal.

13                  Next, looking at 2004.09, and I'm  
14                  sure the Commissioners can understand why  
15                  Eversource, formerly PSNH, is sort of acutely  
16                  interested in this provision. But we would  
17                  recommend adding language in that provision,  
18                  specifically noting that, for this new entity,  
19                  the aggregator with agency authority, that that  
20                  entity be described as "owing a fiduciary duty  
21                  to its customers". And that, because of that  
22                  fiduciary duty, it will not place customers  
23                  with an affiliated supplier absent some express  
24                  specific authorization from the customer to do

1 so.

2 Next, looking at 2004.13(c) and  
3 2004.16(a)(1), there are notice -- and those  
4 two provisions refer to notices that are to be  
5 provided by the supplier under certain  
6 circumstances, and that copies of those notices  
7 be delivered to the Commission. We would ask  
8 that the utility also be listed as receiving  
9 copies of those notices. It would be helpful  
10 for us to have that information.

11 And, finally, a couple of comments  
12 regarding the regulations on or the proposed  
13 regulations having to do with defaults and  
14 customer transfers. Looking at 2004.13 again,  
15 we would like to see a provision added that the  
16 utility could terminate a transfer, a pending  
17 transfer, if the current or the receiving  
18 supplier defaults during a transfer period.

19 And, looking at 2004.16, we would ask  
20 that a provision be added that a utility may  
21 remove pending EDI transfers to address a  
22 default, with a note that the proposed new  
23 supplier could resubmit its EDI transfers once  
24 the default period has been cleared. Just to



1       make very explicit what the understanding of  
2       the rights and obligations of the utility and  
3       suppliers are in those circumstances.

4               That was all that I had had on  
5       specific rule comments for this afternoon. I  
6       did also want to take an opportunity to respond  
7       to a couple of things that I have heard this  
8       afternoon.

9               In general, my understanding of these  
10       rules and the purpose of these rules is to set  
11       up certain requirements for suppliers and, in  
12       particular, the relationship of the supplier to  
13       the customer, which, of necessity, deals with  
14       the relationship of the supplier and the  
15       utility, but the utility shouldn't -- isn't  
16       really covered by these rules.

17              So, to the extent that there were  
18       requests for rules that might impose additional  
19       burden on the utility, we would not be in favor  
20       of those. I'm thinking of things like a  
21       customer list. That's not really something  
22       that should be part of these rules. It's not  
23       really contemplated by these rules. It's not  
24       really clear what that customer list would look

1       like or do. If it's a list of eligible  
2       customers, my understanding is that every  
3       customer is an eligible customer to participate  
4       in competitive supply.

5               With respect to some of the comments  
6       on off-cycle meter reads, we would -- we  
7       definitely support the new restrictions in the  
8       regulations on off-cycle meter reads, and would  
9       support leaving those provisions unchanged from  
10      what's in the proposal.

11             A couple of items. There was a  
12      mention of allocation of partial payments.  
13      That matter has already been handled by this  
14      Commission, Docket 13-244. There's a  
15      Settlement Agreement that required how payments  
16      would be allocated between suppliers and  
17      utilities. Consistent with that Settlement  
18      Agreement, we have language in our tariff that  
19      identifies how those payments will be handled.  
20      I don't think that needs to be included in  
21      these rules.

22             That same Settlement Agreement also  
23      had notes about and a settlement on the number  
24      and type of customer contacts that suppliers

1       could make with customers. That I note even  
2       RESA is a Settling Party in that docket. So, I  
3       think that that docket and that Settlement  
4       Agreement speaks for itself and doesn't need to  
5       be revisited as part of these rules.

6               And, just for other clarity, there  
7       was one comment about implementing a POR in New  
8       Hampshire. That issue has been investigated in  
9       the past as well, and Eversource would be  
10      opposed to doing that particularly in this  
11      rulemaking docket.

12             Finally, this afternoon, there have  
13      been a number of comments on the new or  
14      different restrictions on marketing and sales  
15      practices. I don't have any particular comment  
16      on that or rebuttal to any of the comments that  
17      are made, but I wanted to speak long enough to  
18      note that, to the extent that customers get  
19      confused or misled, whether intentionally or  
20      not, oftentimes they call the utility to deal  
21      with those issues. And, so, we would like to  
22      see some additional limitations on the manner  
23      of sales practices that can be undertaken. We,  
24      as the utility, we're not in the position to be

1       addressing those concerns or complaints. We  
2       take note of them, and can provide them to the  
3       Commission as necessary. But it's not really  
4       our business to be resolving those issues as  
5       between customers and suppliers or otherwise.  
6       Nonetheless, we are brought into those issues.

7               So, we would like to see some  
8       language that puts some borders around what can  
9       be done and that restricts some activities and  
10      that punishes violations of appropriately  
11      restricted activities.

12             So, and with that, that's what I had  
13      for comments this afternoon.

14             CHAIRMAN HONIGBERG: All right.  
15      Thank you, Mr. Fossum.

16             Did I miss anybody who signed up to  
17      speak?

18                     *[No verbal response.]*

19             CHAIRMAN HONIGBERG: Is there anybody  
20      who didn't sign up to speak but would now like  
21      to speak?

22                     *[No verbal response.]*

23             CHAIRMAN HONIGBERG: Is there anyone  
24      who did speak who feels compelled to say

1 anything that they didn't already say?

2 [No verbal response.]

3 CHAIRMAN HONIGBERG: All right. Have  
4 we covered the field?

5 [No verbal response.]

6 CHAIRMAN HONIGBERG: All right.  
7 Thank you all and thank you for your comments.  
8 Obviously, people are very interested in this,  
9 have done a lot of work on it. We appreciate  
10 that. We look forward to seeing your written  
11 comments on this, and including the  
12 Governor's -- the issues raised in the  
13 Governor's letter.

14 And, with that, we will adjourn this  
15 public comment hearing.

16 **(Whereupon the hearing was**  
17 **adjourned at 3:19 p.m.)**