

THE STATE OF NEW HAMPSHIRE

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September 27, 2010

Re: DE 10-188, 2011 CORE Electric Programs and Natural Gas Energy Efficiency Programs
Procedural Schedule

To the Parties:

On August 31, 2010, a duly noticed prehearing conference was held in the above referenced proceeding. Appearances at the prehearing conference were entered by representatives of Public Service Company of New Hampshire, New Hampshire Electric Cooperative, Inc., Unitil Energy Systems, Granite State Electric Company, Northern Utilities, EnergyNorth Natural Gas, Inc, Conservation Law Foundation, Home Builders & Remodelers Association of New Hampshire, New Hampshire Community Action Association, The Way Home, US Energy Saver, LLC, Office of Energy and Planning, Jeremy Hill, *pro se*, Daniel Ramage, *pro se*, Office of the Consumer Advocate, and Commission Staff.

At the prehearing conference, the timely filed petitions to intervene of Daniel Ramage, *pro se*, Jeremy Hill, *pro se*, N.H. Home Builders & Remodelers Association, US Energy Savers, Conservation Law Foundation, The Way Home, Community Action Associations and the Office of Energy & Planning were granted.

Following the prehearing conference, the parties and Staff met in a technical session and agreed upon the following schedule which was submitted to the Commission by letter from Staff dated September 2, 2010:

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|------------------------------------------|-------------------------------------------------------------------|
| Technical Session (Electric Filing) | 09/07/10 at 1:30 p.m. |
| N.H. Trust Electronic Filing | 09/10/10 at 1:00 p.m. |
| Technical Session (Gas and Trust Filing) | 09/13/10 at 9:00 a.m. in Room 100, 1:30 p.m. in Hearing Room A |
| Data Requests, Set #2 | 09/22/10 |
| Data Responses, Set #2 | 10/04/10 |
| Technical Session | 10/07/10 at 9:00 a.m. |
| All Parties Testimony | 10/13/10 |
| Data Requests on Testimony | 10/19/10 |
| Data Responses on Testimony | 11/02/10 |
| Technical Session | 11/09/10 at 9:00 a.m. |
| Rebuttal Testimony | 11/15/10 |

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| Technical Session | 12/01/10 at 9:00 a.m. |
| Technical Session | 12/03/10 at 9:00 a.m. |
| File Settlement | 12/09/10 |
| Hearing on the Merits | 12/16/10 at 10:00 a.m. |

The Commission has determined that the proposed schedule is in the public interest and therefore has approved it. For administrative efficiency, the Commission has elected to issue this Secretarial Letter as its prehearing order in this proceeding.

Following the August 31, 2010 prehearing conference, the New Hampshire Energy Trust filed, after 4 pm on September 10, 2010, a “proposal to assume administration of the natural gas and electric residential energy efficiency programs” and a petition to substitute the intervention of the Trust for the interventions of Messrs. Ramage and Hill was filed on September 16, 2010. Staff filed a letter on September 13, 2010, pointing out that the Trust filed its proposal after the deadline agreed to at the technical session. A joint objection to both filings was filed by the Gas and Electric Utilities on September 20, 2010. Petitions to intervene were also filed by the New Hampshire Housing Finance Authority, on September 17, 2010, and by the Department of Environmental Services, on September 20, 2010.

With respect to the New Hampshire Energy Trust’s proposal to assume administration of the energy efficiency programs, the Commission has determined that the proposal to change administration is beyond the scope that has been noticed for this core energy efficiency proceeding, the focus of which is to approve programs for effect on January 1, 2011. As a practical matter, to expand the scope of this proceeding at this time to fully consider and adjudicate a proposed change in the administration of programs starting January 1, 2011 would unreasonably impair the orderly and prompt conduct of the proceedings, especially considering that for the first time both electric and gas energy efficiency programs are being considered in the same proceeding. Correspondingly, the Commission has determined to deny the Trust’s late-filed petition to intervene because, among other things, the interests of the Trust are not affected by this proceeding. At the same time, the September 10th filing by the Trust appears to raise some relevant questions about the design of certain CORE programs and their effect on the market for residential energy efficiency in New Hampshire. Therefore, to the extent that Mr. Ramage or Mr. Hill, the principals of the Trust, or Mr. Aney, the principal of US Energy Saver and an incorporator of the Trust, seek to critique or propose changes to the programs as administered by the Gas and Electric Utilities starting in 2011, they may make such critiques or proposals through their separate interventions within the parameters of the scope and schedule approved above, including the filing of testimony.

The filing by the Trust correctly notes that in Order No. 23,574 (DR 96-150, November 1, 2011) the Commission contemplated revisiting the question of whether the energy efficiency programs funded by the System Benefits Charge should be administered by the utilities or a third party:

If ratepayer-funded energy efficiency programs continue beyond the time frame we outlined above [through the initial transition service period of 33 months], we will reevaluate whether those programs should be administered by a third party or should be continued under the current framework of utility administration. One factor we will use in that determination is which format moves toward market transformation in the most cost-effective and efficient way. 85 NHPUC 695.

While such a reevaluation has not been done to date, this issue could be taken up in a properly noticed adjudicated proceeding following the close of this current docket and changes in the administration and design of programs could be considered during or subsequent to the 2 program years beginning January 1, 2011. However it should also be noted that the subject matter underlying the Trust proposal, the “appropriate role of regulated energy utilities, providers of energy and energy efficiency, and others in helping the state and consumers achieve the state’s energy efficiency potential” is an issue that the Legislature has directed the Commission to examine by contracting “for an independent study, through means of a nonadjudicative investigation utilizing a broad collaborative process” including submission of a final report by November 1, 2011. See, 2010 NH Laws, Chapter 335. The process of selecting a vendor to lead that study is well under way with more than 10 proposals having been received in response to an RFP issued by the Commission in close cooperation and consultation with the Energy Efficiency and Sustainable Energy Board

As for the petitions to intervene by the Housing Finance Authority and the Department of Environmental Services, the Commission will defer ruling pending the opportunity for parties to object to such interventions. In the event the parties are granted intervention, they will be required to accept the scope and schedule of the proceeding as already determined.

Sincerely,



Debra A. Howland
Executive Director