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NHPUC 16APR'15 PM 1:46

April 16, 2015

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

Re: Docket IR 14-338
Electric Distribution Utilities
Investigation into Alternate Default Service Procurement Methodologies
Staff's Discussion Document

Dear Ms. Howland:

On March 23, 2015, Staff sent an email to the parties in this docket, seeking comment on Staff's initial position with respect to the above-captioned investigation. You will find enclosed a copy of the email and the attachment containing Staff's position. I am making this filing in light of the Commission's status conference next week. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne G. Amidon".

Suzanne G. Amidon
Staff Attorney

Service List (Electronically)

Attachment

Amidon, Suzanne

From: Amidon, Suzanne
Sent: Monday, March 23, 2015 11:01 AM
To: 'allen.desbiens@nu.com'; 'alocke@essexhydro.com'; Noonan, Amanda; 'bohan@unitil.com'; 'christopher.goulding@nu.com'; 'daniel.allegretti@exeloncorp.com'; 'dlabbe@nhla.org'; 'epler@unitil.com'; Siwinski, Grant; 'heather.tebbetts@libertyutilities.com'; 'howard.plante@felpower.com'; Brennan, James J; 'james.shuckerow@nu.com'; 'jmcmahon@crai.com'; 'jmonahan@dupontgroup.com'; 'john.warshaw@libertyutilities.com'; 'kristi.davie@nu.com'; Stachow, Leszek; 'matthew.fossum@nu.com'; 'mcnamara@unitil.com'; Hatfield, Meredith; 'mleibman@hplco.com'; Connors, Molly; PUC - OCA Litigation; 'pmartin2894@yahoo.com'; 'rick.white@nu.com'; 'rlee@crai.com'; 'sarah.knowlton@libertyutilities.com'; 'sgeiger@orr-reno.com'; Eckberg, Stephen; 'Stephen.Hall@libertyutilities.com'; 'steven.mullen@libertyutilities.com'; Chamberlin, Susan W; Amidon, Suzanne; Frantz, Tom
Subject: IR 14-338, Investigation of alternative default service procurement methodologies
Attachments: Guiding principles 14-338.docx

Good morning. As promised, attached is Staff's initial positions regarding a number of issues associated with default service procurement.

We agreed that interested parties would have three weeks to provide responsive comments and address other related issues, including whether the Commission is required to hold a hearing on default service procurement.

Our next meeting is April 22. I had to move our meeting to 11:00 to give us use of the hearing room as our group is too large to be accommodated in any other room here at the PUC. Given that we are meeting on the 22nd, I propose that parties have until April 15 to provide responsive comments.

Let me know if you have any questions.

SUZANNE AMIDON
STAFF ATTORNEY/HEARINGS EXAMINER
NEW HAMPSHIRE PUC
603 271 2431
FAX 603 271 3878

Guiding principles:

1. Who are we protecting?
2. What are the effects on market solicitations and competitive suppliers?
3. Should retail supply be cost based?
4. Resolution of tension between objectives of stability and market pricing.

Staff thoughts:

- (a) Staff believes that there is merit in a uniform methodology for all
- (b) Believes that there should be differential treatment between large C&I and Residential and Small C&I (still considering benefits of differentiating between res and small C&I)
- (c) Believes that frequency of auctions should be confined to 6 month periods and that they should be staggered between LDC's
- (d) For large C&I we believe that spot pricing pass through approach may be desirable, though would like more clarification of that approach
- (e) For res/small C& I we consider the Unifil model a useful paradigm for going forward
- (f) We are assuming for the present that 100% block will be bid.
- (g) We do not find consideration of QF usage as appropriate, nor do we wish to constrain freedom of choice in the selection of bidders
- (h) We agree with the approach whereby bids are solicited until objective achieved
- (i) Agree about the need to shorten the time between success bids and contract awards but believe it will require change in statutory language so see that as a medium term goal
- (j) We are not as yet compelled by the notion of a state initiated centralized procurement process
- (k) We are not as yet compelled by the notion of establishing fixed price contracts for conventional and renewable energy for a specific portion of the energy service requirement
- (l) We agree about the desirability of a web page to provide up to date pricing for end users. We understand that is a matter being pursued by Amanda Noonan's division
- (m) We are in favor of budget billing for all LDC customers
- (n) At this time we see little benefit for laddering the bid process
- (o) We are in favor of removing unnecessary risk premiums associated with regulatory uncertainty but understand that because this probably requires legislation, it may be a medium term goal.