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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

May 14, 2020 - 10:04 a.m.
[Remote Hearing conducted via Webex]

RE: **DE 20-002**
UNITIL ENERGY SYSTEMS, INC.:
2020 Least Cost Integrated Resource
Plan. (*Prehearing conference*)

PRESENT: Chairwoman Dianne Martin, Presiding
Cmsr. Kathryn M. Bailey
Cmsr. Michael S. Giaimo

Doreen Borden, Clerk
Eric Wind, PUC Remote Hearing Host

APPEARANCES: **Reptg. Unitil Energy Systems, Inc.:**
Gary Epler, Esq.

Reptg. Residential Ratepayers:
D. Maurice Kreis, Esq., Consumer Adv.
Office of Consumer Advocate

Reptg. PUC Staff:
Brian D. Buckley, Esq.
Richard Chagnon, Asst. Dir./Electric
Kurt Demmer, Electric Division

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

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Mr. Epler	7, 13
Mr. Kreis	8
Mr. Buckley	13

P R O C E E D I N G

1
2 CHAIRWOMAN MARTIN: Okay. Good
3 morning, everyone. We're here this morning for a
4 prehearing conference in Docket DE 20-002, which
5 is the Unutil Energy Systems, Incorporated, 2020
6 Least Cost Integrated Resource Plan.

7 I have to make the required findings,
8 because this is a remote hearing. So, I will do
9 that now.

10 As Chairwoman of the Public Utilities
11 Commission, I find that, due to the State of
12 Emergency declared by the Governor, as a result
13 of the COVID-19 pandemic, and in accordance with
14 the Governor's Emergency Order Number 12,
15 pursuant to Executive Order 2020-04, this
16 public body is authorized to meet
17 electronically.

18 Please note that there is no physical
19 location to observe and listen contemporaneously
20 to this hearing, which was authorized pursuant to
21 the Governor's Emergency Order. However, in
22 accordance with the Emergency Order, I am
23 confirming that we are utilizing Webex for this
24 electronic hearing. All members of the

1 Commission have the ability to communicate
2 contemporaneously during this hearing through
3 this platform, and the public has access to
4 contemporaneously listen and, if necessary,
5 participate.

6 We previously gave notice to the public
7 of the necessary information for accessing the
8 hearing in the Order of Notice. If anybody has a
9 problem, please call (603)271-2431. In the event
10 the public is unable to access the hearing, the
11 hearing will be adjourned and rescheduled.

12 A very short list of ground rules,
13 because I know Attorney Wind went through them
14 with you. Make sure you mute yourself if you're
15 not talking. Put your hand up to be recognized,
16 unless it's an objection, which you can just
17 speak out whenever you need to make it. And
18 speak slowly, so the court reporter can hear and
19 understand you.

20 So, let's start by taking roll call
21 attendance of the Commission, and then we'll take
22 appearances. When each Commissioner states their
23 presence, please also state where you are
24 located. And, if anyone else is with you, please

1 identify them.

2 I am Dianne Martin, the Chairwoman of
3 the Public Utilities Commission. And I am in an
4 office at the Commission, and I am alone.

5 Commissioner Bailey.

6 CMSR. BAILEY: Commissioner Kathryn
7 Bailey. I'm in my home. And I'm in a room by
8 myself.

9 CHAIRWOMAN MARTIN: Commissioner
10 Giaimo.

11 CMSR. GIAIMO: Good morning.
12 Commissioner Mike Giaimo. I am at the
13 Commission's Office, by myself, in my office.

14 CHAIRWOMAN MARTIN: Okay. Let's take
15 appearances, starting with Attorney Epler.

16 MR. EPLER: Thank you, Madam Chair and
17 Commissioners. My name is Gary Epler. I'm the
18 Chief Regulatory Counsel for Unitil.

19 And let me just say, on behalf of the
20 Company, we appreciate the efforts of the
21 Commission, under the circumstances, to hold this
22 hearing and to continue with important matters
23 such as this.

24 Thank you.

1 CHAIRWOMAN MARTIN: Thank you.

2 Attorney Kreis. Oh, you're muted.

3 MR. KREIS: Sorry about that. You'd
4 think I'd figured out that little chore by now.

5 Good morning, Chairwoman Martin,
6 Commissioners, everybody. I am D. Maurice Kreis,
7 the Consumer Advocate. And, as you all know, I
8 am here to represent the interests of residential
9 utility customers pursuant to RSA rate RSA
10 363:28.

11 CHAIRWOMAN MARTIN: Thank you.

12 Attorney Buckley.

13 MR. BUCKLEY: Good morning, Madam
14 Chair, Commissioners Bailey and Giaimo. My name
15 is Brian D. Buckley. I am a Staff Attorney with
16 the New Hampshire Public Utilities Commission.

17 I am joined today by Mr. Kurt Demmer,
18 and also with the Commission's Electric Division,
19 as well as Mr. Richard Chagnon, the Assistant
20 Director of the Electric Division.

21 CHAIRWOMAN MARTIN: All right. Thank
22 you, everyone. We have -- or, I have, for
23 preliminary matters at least, that there's a
24 Motion for Confidential Treatment pending. I do

1 not believe we have received any objections.

2 Does anyone want to speak to that
3 motion? Otherwise, we will rule on that as part
4 of the order that we issue.

5 *[No indication given.]*

6 CHAIRWOMAN MARTIN: I don't see anyone
7 raising their hand. So, any other preliminary
8 matters we need to discuss?

9 *[No verbal response.]*

10 CHAIRWOMAN MARTIN: Okay. Then, we'll
11 move to just hearing everyone's preliminary
12 statement, starting with Mr. Epler.

13 MR. EPLER: Thank you, Commissioners.

14 On April 3rd, the Company filed -- one
15 second please -- the Company filed its Least Cost
16 Integrated Resource Plan pursuant to RSA 378:38.
17 This is an extensive document, consisting of
18 approximately 590 pages. The Company feels it
19 does give a very in-depth view of the planning
20 process that the Company undertakes. And, in all
21 those pages, we believe we have satisfied all or
22 at least most of the requirements for the filing.

23 We look forward to participating in
24 technical sessions with the Staff and the OCA,

1 and any intervenors, in a process. We're
2 available to answer questions, participate in
3 discovery, and look forward to this proceeding.

4 Thank you.

5 CHAIRWOMAN MARTIN: Okay. Thank you.
6 Attorney Kreis.

7 MR. KREIS: Thank you.

8 We are all here today pursuant to RSA
9 378:39, which says that "The commission shall
10 review integrated least-cost resource plans in
11 order to evaluate the consistency of each
12 utility's plan with this subdivision", meaning
13 Sections 37 of RSA 378, through Section 40, "in
14 an adjudicative proceeding." And then, the
15 statute says "In deciding whether or not to
16 approve the utility's plan, the commission shall
17 consider potential environmental, economic, and
18 health-related impacts of each proposed option."
19 That phrase "each proposed option" is really
20 important. Because, really, the problem with
21 this Least Cost Integrated Resource Plan, and
22 every other one that I've ever seen, is that it
23 really doesn't give the Commission the
24 information it needs to determine whether each

1 proposed option is, in fact, consistent with the
2 statutory standard. That just is not the way
3 these least cost integrated plans are structured.

4 You see that problem sort of implicitly
5 acknowledged in the title of the report that you
6 have before you. It doesn't say "Least Cost
7 Integrated Resource Plan", it says "Report on
8 Least Cost Integrated Resource Planning." And,
9 so, Unitil, like every other utility, treats this
10 kind of proceeding as an opportunity for the
11 Commission to review the planning process that
12 the Company undertakes. And that's an
13 interesting, and possibly, well, likely useful
14 process, it's just not what the statute is
15 telling the Commission to do.

16 So, I really think that the Commission
17 has no choice but to reject the Company's plan.
18 When we went through this exercise with Unitil
19 the last time, in Docket Number 16-463, the
20 Commission, in its order, said "We direct
21 Unitil", now I'm reading from Page 8 of that
22 order, "We direct Unitil to address all of the
23 statutory elements of RSA 378:38 in its next
24 LCIRP in sufficient detail and with supporting

1 analysis, so that reviewing parties may evaluate
2 the plan against the relevant statutory
3 standards. In addition to cost comparisons of
4 the various alternatives considered, we will
5 require more detailed evidence of reliability,
6 environmental, economic, and health related
7 impacts. Unitil has the burden to meet the
8 requirements of RSA 378:38, and to demonstrate
9 that its planning process results in the adoption
10 of least cost options to meet the standards
11 articulated in RSA 378:39 by which the Commission
12 is required to evaluate the plan." I just don't
13 think Unitil has done that.

14 In the very next paragraph of the
15 order, the Commission acknowledged that I made
16 essentially the same arguments in that docket
17 three years ago, and said that it believes that
18 the requirements that I just read out from the
19 order "respond to the concerns raised by the
20 Consumer Advocate at hearing." I'm going to keep
21 raising these concerns. And, eventually, I'm
22 going to take one of these LCIRP determinations
23 that the Commission makes and appeal it to the
24 New Hampshire Supreme Court, because I really

1 think this is a problem we have to solve.

2 And it isn't just a theoretical
3 problem. It's practical and real problem in the
4 following sense: Unitil and every other utility
5 talk about energy efficiency and active demand
6 response and demand-side measures in their
7 least-cost integrated resource plans, but all
8 they do is they take the ratepayer funded
9 programs in those realms and treat them like a
10 box to be checked. And they assume, as long as
11 they participate as program administrators in the
12 System Benefits Charge funded programs, they
13 don't have to undertake any additional analysis
14 in the context of least-cost integrated resource
15 planning.

16 And, in fact, this Company even goes so
17 far as to say, at Page 32 of its proposed LCIRP,
18 and I'm reading now, "the company invests an
19 average of \$51.90 per lifetime megawatt-hour for
20 residential customers and \$27.16 for lifetime
21 megawatt-hours for C&I customers" in energy
22 efficiency. That's simply not a true statement.
23 This Company, and every other electric
24 distribution company and every other natural gas

1 utility in the state, doesn't invest one cent of
2 shareholder capital in energy efficiency. This
3 is all ratepayer money. What these companies are
4 obliged to do is to determine the extent to which
5 they need to deploy their own capital in some
6 menu of things that includes energy efficiency
7 and demand-side management, to assure its service
8 is delivered in a least-cost fashion.

9 Now, that sounds a lot like I'm
10 trashing the Company. I really don't intend to
11 trash the Company. I've read their plan. There
12 is much in it that I find laudable and suggestive
13 of a company that really does take its
14 obligations seriously, to strive to bring us the
15 grid of the future in a way that truly empowers
16 customers.

17 So, that's the note I'd like to end on.
18 I'd like to thank the Company for thinking about
19 those aspects of its utility franchise, looking
20 ahead to the future, and communicating some, if
21 not all, of what it's doing along those lines in
22 its Least Cost Integrated Resource Plan.

23 Thank you.

24 CHAIRWOMAN MARTIN: Thank you.

1 Attorney Buckley.

2 MR. BUCKLEY: Thank you, Madam Chair.

3 The Staff is still evaluating the
4 issues raised in the instant Petition. I will
5 say that Staff appreciates the level of detail
6 that goes into the least cost plans filed by
7 Utility Energy Systems.

8 We are, in fact, cognizant of the
9 issues raised by the Consumer Advocate. But we
10 do look forward to, through the Commission's
11 formal processes, trying to resolve any of those
12 issues, and other issues that might arise
13 throughout the proceeding.

14 Thank you.

15 CHAIRWOMAN MARTIN: Okay. Thank you.
16 Does -- oh, Mr. Epler.

17 MR. EPLER: Yes. I'd just, if I
18 could, Madam Chair, just give a little brief
19 response?

20 CHAIRWOMAN MARTIN: You may.

21 MR. EPLER: Thank you. Felt a little
22 bit like we got a bit of a slap and a kiss there,
23 but let me say this.

24 The Company was faced with a little bit

1 of a dilemma in looking at what a few of the
2 other utilities have done in light of the
3 statutory requirements, in that they filed
4 waivers, given that there's a proceeding in IR
5 12-296 [15-296?], I believe it is, where we're
6 looking at possible alternatives to the least
7 cost planning requirement, and moving on in a
8 different direction.

9 However, the Company, and after some
10 brief informal discussions with Staff, decided
11 that it would be better for us to proceed with
12 the filing, because we do feel that there is much
13 information that we can provide, and that it
14 would be overall better, both for the Commission,
15 for the Staff and OCA, for interested parties,
16 and for the Company, to proceed with the full
17 filing, and to give a better sense of kind of
18 where we are in our planning process and the
19 direction we're hoping to take for the Company
20 and the customers we serve.

21 So, we filed this, with the
22 understanding that, in some respects, the
23 statute, we believe, is a little bit vague in
24 terms of the requirements, that the Commission

1 and the state are trying to move in the Grid Mod
2 direction.

3 But, again, we thought that it would be
4 helpful for us to file what we filed, and to
5 engage with the parties in this process. So,
6 that's the spirit that this is offered in.

7 We take note of the objections of the
8 Consumer Advocate. We believe that, through the
9 process of this docket, that we could try to
10 attempt to address the concerns that are raised,
11 and look forward to a fruitful process.

12 We'd prefer not to have this -- have
13 our efforts dismissed. We prefer to try to work
14 through a compromise and to move forward.

15 Thank you.

16 CHAIRWOMAN MARTIN: Okay. Thank you.
17 I appreciate that.

18 Are there any other issues we need to
19 address before you go to the technical session?

20 *[No verbal response.]*

21 MR. BUCKLEY: No.

22 CHAIRWOMAN MARTIN: Okay. I do not see
23 anyone. So, we will end this conference and send
24 you off. And we're adjourned. Thank you,

1 everyone.

2 *(Whereupon the prehearing conference*
3 *was adjourned at 10:19 a.m., and a*
4 *technical session was held*
5 *thereafter.)*

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