

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

**March 21, 2023 - 1:01 p.m.**  
21 South Fruit Street  
Suite 10  
Concord, NH

*[Hearing also conducted via Webex]*

RE: **DE 23-002**  
**UNITIL ENERGY SYSTEMS, INC.:**  
Proposed Purchase of Receivables  
Program. ***(Prehearing conference)***

**PRESENT:** Chairman Daniel C. Goldner, Presiding  
Commissioner Pradip K. Chattopadhyay  
Commissioner Carleton B. Simpson

Eric Wind, Esq./PUC Legal Advisor

Tracey Russo, Clerk  
Doreen Borden, PUC Hybrid Hearing Host

**APPEARANCES:** **Reptg. Unitil Energy Systems, Inc.:**  
Matthew C. Campbell, Esq.

**Reptg. Community Power Coalition of  
New Hampshire:**  
Clifton Below, Chair

**Reptg. New Hampshire Dept. of Energy:**  
Mary E. Schwarzer, Esq.  
Alexandra K. Ladwig, Esq.  
Amanda Noonan, Dir./Consumer Division  
Elizabeth Nixon, Dir./Energy Division  
*(Regulatory Support Division)*

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

**I N D E X**

**PAGE NO.**

**STATEMENTS OF PRELIMINARY POSITIONS BY:**

Mr. Campbell	5
Ms. Schwarzer	7
Mr. Below	8

**QUESTIONS BY:**

Cmsr. Simpson	9
Cmsr. Chattopadhyay	12
Chairman Goldner	16

<b>DISCUSSION RE: PROCEDURAL SCHEDULE</b>	18
---	----

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

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

CHAIRMAN GOLDNER: Okay. We're here this afternoon in Docket Number DE 23-002, in which the Commission has docketed Unitil Energy Systems' Proposed Purchase of Receivables Program, a component of facilitating retail electric energy sales required by RSA 53-E:9 and Administrative Rule Puc 2205.16.

We will hear preliminary positions from the parties on Unitil's proposal, as well as address the development of a procedural schedule today.

So, first, let's take appearances, beginning with Unitil.

MR. CAMPBELL: Matt Campbell, on behalf of Unitil Energy Systems, Inc.

CHAIRMAN GOLDNER: Very good. And the Department of Energy?

MS. SCHWARZER: Mary Schwarzer, Staff Attorney for the Department of Energy. And with me is Alexandra Ladwig.

CHAIRMAN GOLDNER: Very good. And the Community Power Coalition of New Hampshire?

*[No indication given.]*

1                   CHAIRMAN GOLDNER: All right. And NRG  
2 Retail Companies?

3                   *[No indication given.]*

4                   CHAIRMAN GOLDNER: All right. Just a  
5 moment please.

6                   *[Chairman Goldner conferring with*  
7 *Atty. Wind.]*

8                   CHAIRMAN GOLDNER: Okay. So, at the  
9 outset, Community Power Coalition of New  
10 Hampshire and the NRG Retail Companies submitted  
11 timely Petitions to Intervene, neither of which  
12 were objected to.

13                   Does anyone have anything further to  
14 say with respect to either of these Petitions to  
15 Intervene?

16                   *[No verbal response.]*

17                   CHAIRMAN GOLDNER: Mr. Below, welcome.

18                   MR. BELOW: Thank you.

19                   CHAIRMAN GOLDNER: We just took  
20 appearances. Would you like to -- would you like  
21 to introduce yourself?

22                   MR. BELOW: Sure. Clifton Below, here  
23 on behalf of the Community Power Coalition of New  
24 Hampshire.

1                   CHAIRMAN GOLDNER:   Okay.   And I was  
2                   just asking to see if there were any objections  
3                   to the Community Power Coalition of New Hampshire  
4                   or NRG Retail Companies' interventions?

5                   *[No verbal response.]*

6                   CHAIRMAN GOLDNER:   Seeing none.   We  
7                   have reviewed and determined that the Community  
8                   Power Coalition of New Hampshire and the NRG  
9                   Retail Companies' intervention would be in the  
10                  interest of justice and would not impair the  
11                  orderly and prompt conduct of the proceedings,  
12                  and therefore grant intervention to Puc 203.17  
13                  and RSA 541-A:32, II.

14                  Are there any other matters that need  
15                  to be raised before we take preliminary  
16                  positions?

17                  *[No verbal response.]*

18                  CHAIRMAN GOLDNER:   No?   Okay.   Next,  
19                  let's turn to the proposal.   And we'll plan to  
20                  hear preliminary positions on Unitil's Purchase  
21                  of Receivables Program.   The Commissioners may  
22                  have some follow-up questions.

23                  So, let's begin with Unitil.

24                  MR. CAMPBELL:   Thank you, Chair

1 Goldner.

2 Before I get started, I just want to  
3 note that joining me today are Chris Goulding,  
4 he's the Director of Rates and Revenue  
5 Requirements at Unitil, and Gary Mathews, he's a  
6 Supervisor in our Rates and Regulatory Compliance  
7 Division.

8 CHAIRMAN GOLDNER: Very good.

9 MR. CAMPBELL: In 2021, New Hampshire  
10 House Bill 315 added Section 9 to RSA 53-E, the  
11 Municipal Aggregation law. Section 9 requires  
12 each electric distribution utility to propose a  
13 program to purchase receivables from suppliers.  
14 These programs are commonly referred to as "POR  
15 Programs".

16 Perhaps the most important feature of a  
17 POR Program is the discount rate at which the  
18 utility purchases the receivables from suppliers.  
19 That rate is an estimate of uncollectible costs,  
20 based on the company's historic uncollectible  
21 expenses, as well as the cost to implement and  
22 administer the POR Program. Each of these  
23 factors are expressly provided for under  
24 Section 9.

1                   Unitil's Massachusetts affiliate,  
2                   Fitchburg Gas & Electric Light Company, has  
3                   developed, implemented, and currently administers  
4                   a POR Program in Massachusetts. The Company  
5                   leveraged its experience operating the  
6                   Massachusetts POR Program in the design of the  
7                   POR Program proposed in this docket.

8                   Unitil's proposed POR Program for New  
9                   Hampshire addresses all of the requirements and  
10                  features set forth in Section 9, including the  
11                  Company's proposed calculation of the Discount  
12                  Rate Percentage.

13                  The Company looks forward to providing  
14                  the Commission and the parties to this proceeding  
15                  with additional information about its proposed  
16                  POR Program in due course.

17                  Thank you, Commissioners.

18                  CHAIRMAN GOLDNER: Thank you. Let's  
19                  move to the Department of Energy.

20                  MS. SCHWARZER: Thank you, Mr.  
21                  Chairman.

22                  I will note that with me are Amanda  
23                  Noonan, the Director of the Consumer Division,  
24                  and Liz Nixon, the Director of the Electric

1 Division.

2 The Department is looking forward to  
3 working with Unitil to review their POR Proposal.  
4 And we expect we'll be able to do that in a  
5 timely manner. We do have some concerns about an  
6 initially proposed procedural schedule. But  
7 we're confident that we'll be able to resolve  
8 those with the Company in the technical session  
9 to follow.

10 Thank you.

11 CHAIRMAN GOLDNER: Thank you. And,  
12 finally, let's move to the Community Power  
13 Coalition of New Hampshire.

14 MR. BELOW: Sure. We appreciate the  
15 proposal from Unitil.

16 I think a feature of all the proposals  
17 which we're a bit concerned about is they mention  
18 that they intend to update the competitive  
19 electric power supplier agreement to incorporate  
20 the POR terms, but failed to recognize that  
21 community aggregations could be a supplier  
22 without going through a competitive electric  
23 power supplier. So, that's the concern that's  
24 stated in the petitions, that they should broaden



1 this out to include that possibility.

2 Thank you.

3 CHAIRMAN GOLDNER: Okay. Thank you,  
4 Mr. Below.

5 Let's turn now to Commissioner  
6 questions, beginning with Commissioner Simpson.

7 CMSR. SIMPSON: Thank you.

8 Does the Company have any response to  
9 what Mr. Below just noted, with respect to  
10 updating the competitive supplier agreements?

11 MR. CAMPBELL: Not at this time. But  
12 we'll certainly take it under advisement.

13 CMSR. SIMPSON: Okay.

14 And then, just looking through your  
15 proposal, just confirm the cost of implementation  
16 for us please, for administrative updates?

17 MR. CAMPBELL: Yes. I'm going to ask  
18 Mr. Goulding to address that.

19 CMSR. SIMPSON: Sure.

20 MR. GOULDING: So, we have, for  
21 implementation costs, a little over \$5,000 for an  
22 outside vendor to just do some testing. Our  
23 Program is modeled somewhat similar to or almost  
24 identical to the Fitchburg program. So, we

1 already have a program in place there that we're  
2 able to roll out in New Hampshire without making  
3 major system modifications.

4 CMSR. SIMPSON: So, it's just some  
5 enhancements to your current system?

6 MR. GOULDING: It's testing. I might  
7 defer to Gary, Mr. Mathews, who might have some  
8 more information on that.

9 CMSR. SIMPSON: Sure.

10 MR. MATHEWS: Yes. For the first part  
11 of it is it will be a slightly modified system.  
12 There's different classes between Fitchburg and  
13 New Hampshire. So, -- and there will be  
14 different percentages.

15 But, besides that, everything else will  
16 flow through the system that's already been  
17 tested once.

18 CMSR. SIMPSON: And I believe that  
19 you're estimating about four months to implement  
20 these changes, is that correct?

21 MR. CAMPBELL: That's correct.

22 CMSR. SIMPSON: And that's purely your  
23 testing timeframe?

24 MR. CAMPBELL: Yes, it is. Correct.

1 CMSR. SIMPSON: Okay. So, one  
2 question.

3 For uncollectibles, you've based the  
4 rates on your default service information, is  
5 that -- am I understanding that correctly?

6 MR. GOULDING: Yes. That's the only  
7 data we have right know is our default service  
8 revenues, and also the uncollectibles/bad debt  
9 expense associated with the default service  
10 customers.

11 CMSR. SIMPSON: And, when you say  
12 "that's the only data you have", do you believe  
13 that there's other data that other utilities are  
14 using?

15 MR. GOULDING: Well, no. So, once we  
16 do the actual calculation for the reconciliation,  
17 we'll have an annual uncollectible expense  
18 associated with the supplier write-offs that we  
19 have, in addition to our own uncollectibles for  
20 our default service. So, that will all get put  
21 into the calculation at that time.

22 CMSR. SIMPSON: Okay. I don't have any  
23 further questions. Thank you.

24 CHAIRMAN GOLDNER: Commissioner

1 Chattopadhyay.

2 CMSR. CHATTOPADHYAY: Good afternoon.

3 Do you remember, when you created this  
4 system for Fitchburg, what kind of cost did you  
5 incur?

6 MR. GOULDING: We'd have to take a look  
7 back at it. I think there was more significant  
8 costs, but it was a much longer process in  
9 Massachusetts. It was a new program. So, there  
10 was probably some system changes. But there was  
11 also outside counsel that was used for the case.

12 It wasn't a program that was up and  
13 running within a year; it was a multi-year  
14 process.

15 CMSR. CHATTOPADHYAY: Do you have a  
16 similar system in Fitchburg -- in, sorry, in  
17 Unitil, as what you have in New Hampshire, as  
18 what you have in Massachusetts?

19 MR. GOULDING: Similar system as in?

20 CMSR. CHATTOPADHYAY: The point I'm  
21 trying to understand is, you said it's "going to  
22 cost roughly 5,000 some dollars to do it." So,  
23 you have a -- and then, you indicated that, for  
24 Fitchburg, when you went through this process,

1           because you were doing it for the first time,  
2           whatever system you had at that time, you had to  
3           ensure that what you end up accommodating for the  
4           POR to be effective, that was a more drawn out  
5           process and ended up costing you more than what  
6           you have estimated here.

7                        I'm just trying to get a confirmation  
8           that the system that you have in Fitchburg right  
9           now, it's sort of similar to what you have here?

10                      MR. GOULDING:  Yes.  We only have one  
11           billing system that's used for all the states.

12                      CMSR. CHATTOPADHYAY:  Okay.

13                      MR. GOULDING:  There's, obviously,  
14           differences amongst the different rate classes  
15           and rate structures.  But, otherwise, it's the  
16           same billing system.

17                      CMSR. CHATTOPADHYAY:  How long have you  
18           had community power in Massachusetts?

19                      And what is your experience, if you can  
20           tag on to that, give me a sense of, since you  
21           already have POR there, give me a sense of how  
22           long, and what's your experience with it?

23                      MR. CAMPBELL:  In terms of how long the  
24           Massachusetts program has been in effect, this is

1 subject to check, I recall it being a 2010 docket  
2 number. So, I think it's been around since about  
3 2010.

4 CMSR. CHATTOPADHYAY: Okay.

5 MR. GOULDING: I'll just a little bit.  
6 I think it was a -- it was a 2010 docket number.  
7 But I think it took almost until 2015 until it  
8 was rolled out in Massachusetts. And we have  
9 competitive suppliers down there, and some of  
10 those are municipal aggregators, and they all  
11 participate in the Purchase of Receivable  
12 Program.

13 CMSR. CHATTOPADHYAY: Okay. So, do you  
14 see any difference between, and I don't know what  
15 the landscape is in Massachusetts, but do you  
16 have data now that it goes back all the way back  
17 to 2015, if I understood you, to see how  
18 community power aggregators behave differently  
19 than competitive suppliers?

20 And I'm really focusing on the discount  
21 piece.

22 MR. CAMPBELL: Yes. Commissioner, --

23 CMSR. SIMPSON: Just make sure your  
24 microphone is on, Attorney Campbell, please.

1 MR. CAMPBELL: Certainly.

2 CMSR. SIMPSON: Thank you.

3 MR. CAMPBELL: Sitting here today, we  
4 don't have that data. But that's something we  
5 could take back, if it's of interest to you.

6 CMSR. CHATTOPADHYAY: And along with  
7 that, it would be of interest to me also to know,  
8 if there is a counterpart of sort of default  
9 service there, how does that differ from the  
10 experience with community power?

11 And, again, my focus is on the  
12 discount, you know.

13 MR. CAMPBELL: Understood.

14 CMSR. CHATTOPADHYAY: Yes. And, if I  
15 may add, Chairman Goldner, maybe we should just  
16 send, you know, a record request in writing?  
17 That might be helpful.

18 CHAIRMAN GOLDNER: Yes. We can  
19 certainly send an inquiry. I don't know if it  
20 would be a "record request". But we can  
21 certainly send a follow-up to make sure that our  
22 question is clear.

23 MR. CAMPBELL: Okay.

24 CMSR. CHATTOPADHYAY: That's all I

1 have. Thank you.

2 CHAIRMAN GOLDNER: All right. Just a  
3 couple of items, I think.

4 For your Discount Percentage Rate, it  
5 looks like you did that for both your residential  
6 and your C&I ratepayers separately, is that  
7 correct?

8 MR. CAMPBELL: That's correct.

9 CHAIRMAN GOLDNER: Okay. And, while  
10 that seems sensible, can you walk through, not  
11 everyone had the same approach, so maybe you  
12 could walk through the logic of why you have two  
13 groups, rather than one?

14 MR. GOULDING: Sure. So, again, we  
15 kind of modeled it a little bit off of  
16 Massachusetts as a starting point, and we do have  
17 separate Residential and separate General Service  
18 write-off percentages. It's just that, when we  
19 capture the data, we do have write-offs by rate  
20 class. So, we just calculated them separately to  
21 be consistent with Mass., so we have a consistent  
22 process from one state to the next.

23 And just there was a significant  
24 difference between the two rates also. So, if



1           you're a competitive supplier, and you serve  
2           primarily large customers, if you had the blended  
3           rate of 0.74 percent charge-off, it would be  
4           significantly higher than just the General  
5           Service rate.

6                       CHAIRMAN GOLDNER:   Okay.   Thank you.  
7           Very good.

8                       And I'm not sure I understood your  
9           answer to the previous question, so, maybe if you  
10          could just clarify.   The uncollectible  
11          percentage, you're using the actual default  
12          service data, to which, again, seems sensible,  
13          but I think you caveated it with something.  
14          Mr. Goulding, I just didn't quite follow your  
15          answer.   That's all.

16                      MR. GOULDING:   Okay.   So, in our  
17          Schedule 2 data, like the illustrative package  
18          that we put together, we only have the net supply  
19          write-offs by class for our default service  
20          customers now.   So, we just divided those by the  
21          default service revenues.

22                      In the future, we'll have the  
23          write-offs related to customers who are on  
24          default service and customers who are taking

1 default service from -- or, energy service from a  
2 competitive supplier or a municipal aggregator.  
3 So, at that time, we'll have all of the data,  
4 both sets of revenues and both sets of expense,  
5 to come up with the average charge-off rate.

6 CHAIRMAN GOLDNER: I see. Okay. Thank  
7 you for the clarifications.

8 Okay. Very good. That's -- anything  
9 else from the other Commissioners?

10 *(Cmsr. Simpson and Cmsr. Chattopadhyay*  
11 *indicating in the negative.)*

12 CHAIRMAN GOLDNER: No? Okay. All  
13 right.

14 Yes. Thank you for the clarifications.  
15 That's helpful to us. I mean, it looks like  
16 you've pulled together something that's, you  
17 know, I think it's hard not to like a cost of  
18 \$5,250. So, later today, we'll see if everyone  
19 else does as well.

20 Okay. So, lastly, let's cover the  
21 topic of a procedural schedule to govern this  
22 matter. I'll start by commenting that, although  
23 three PHCs are being held in sequence today, we  
24 don't anticipate that each procedural schedule

1 will necessarily be identical. Any necessary  
2 hearings will be individually scheduled.

3 And, with that said, we brought all  
4 three electric distribution utilities in at the  
5 same time, so that the Commission and the parties  
6 could effectively use their time and develop  
7 procedural schedules that can complement each  
8 other to the extent possible.

9 Do the parties have any comments for  
10 the Commission on establishing a procedural  
11 schedule to govern the remainder of the  
12 proceeding?

13 Or, is it acceptable to discuss this in  
14 the technical session following these PHCs, and  
15 get back to the Commission with a proposal?

16 MR. CAMPBELL: That's acceptable to the  
17 Company.

18 CHAIRMAN GOLDNER: Okay. Thank you.

19 Okay. Anything else, before we  
20 conclude this hearing?

21 MS. SCHWARZER: Mr. Chairman, with  
22 regard to a procedural schedule, the Department  
23 is wondering about the availability for hearings  
24 in the latter part of -- or, in the month of

1 July, specifically, the week of the 24th and  
2 31st?

3 CHAIRMAN GOLDNER: We can check  
4 calendars here real quick. I don't think that's  
5 a problem. But I'll let my fellow Commissioners  
6 check their calendars as well.

7 *[Chairman Goldner, Cmsr. Simpson, and*  
8 *Cmsr. Chattopadhyay briefly*  
9 *conferring.]*

10 CHAIRMAN GOLDNER: Looks like it's wide  
11 open at the moment.

12 MS. SCHWARZER: Okay. Thank you.  
13 There may be another question.

14 *[Atty. Schwarzer briefly conferring*  
15 *with Director Noonan.]*

16 MS. SCHWARZER: Thank you. We're all  
17 set.

18 CHAIRMAN GOLDNER: Okay. Thank you.  
19 Anything else?

20 *[No verbal response.]*

21 CHAIRMAN GOLDNER: Okay. The  
22 prehearing conference in Docket DE 23-002 is now  
23 concluded.

24 And we will now call the next

1 prehearing conference. We are adjourned.

2 *(Whereupon this prehearing conference*  
3 *in DE 23-002 was adjourned at 1:21*  
4 *p.m., and, following the prehearing*  
5 *conferences in Docket Numbers DE 23-003*  
6 *and DE 23-004, a technical session was*  
7 *held thereafter.)*

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24