

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

Case No. DE 07-064

In re: Investigation into Energy Efficiency Rate Mechanisms

NEW HAMPSHIRE SIERRA CLUB  
MEMORANDUM CONTRA TO  
THE PSNH OBJECTION TO THE NHSC MOTION TO INTERVENE

I. The objection of the Public Service Company of New Hampshire (PSNH) to the Motion of the New Hampshire Sierra Club (NHSC) being filed out of the rule is correct. The Motion was filed late. PSNH complains that RSA 541-A:32, II applies; however, PSNH has not identified a single interest that will be prejudiced by the intervention of NHSC in this case.

The failure of PSNH to specify any prejudice to its interests or the interest of justice does not bring its objection within RSA 541-A:32. To the contrary, a fair hearing of the substance of the NHSC Motion will advance the interests of the rate mechanism for the energy efficiency docket within the meaning of RSA 541-A:32.

II. The purpose of the NHSC timeline is to insist that the Commission and the parties engage, with diligence, in a course that links a definitive electricity consumption reduction goal with a revenue neutral decoupling process.

The NHSC claims no special competence or expertise in the appropriate methodologies to accomplish the reduction of electricity consumption; rather, working toward global warming solutions, NHSC calls on the Commission to evaluate evidence regarding progressive pricing, energy efficiency and related technologies, demand response, and distributed generation. The choice of the best strategy should be based upon competent evidence from the generators, efficiency experts, and technology purveyors, architects, engineers, building contractors, economists, accountants and other knowledgeable witnesses.

The point of the NHSC Motion to Intervene is not to influence the choice of the electricity consumption reduction strategy. The point of the NHSC Motion is to urge

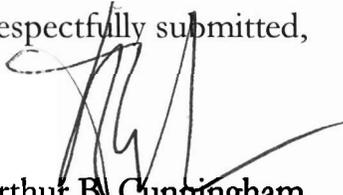
the greenhouse gas emitting electricity generators to get serious about reducing the consumption of electricity, and to get serious now.

The NHSC, as articulated in its Motion to Intervene, supports the concept of decoupling. Since electricity generation profits are linked to sales and reduced sales may injure shareholder value and thereby make it more difficult to access capital for operational improvements, real energy efficiency progress is a barrier to reduction of electricity consumption without decoupling. Therefore, the NHSC urges that the Commission adopt a revenue neutral decoupling process which establishes an approved revenue requirement with rate adjustments, as needed, over time, to sustain the revenue requirement. The process will break the sales incentive, reduce any claim of volatility of utility earnings, and will allow utility management to focus on lowering costs, which should benefit consumers and shareholders.

The NHSC insists, however, that the Commission link the decoupling mechanism to mandated consumption and efficiency targets. It is for this reason that the NHSC urges the Commission to order the utilities to submit plans that include measurable efficiency goals demonstrating compliance with specific electricity consumption reduction goals.

III. Nothing in the NHSC Motion to Intervene exceeds the ambit of the current docket orders. To the contrary, the crux of the NHSC Motion is to introduce into the proceedings a sense of urgency, the idea that mandating goals is crucial, and that there be a direct link between the goals and a rate-making mechanism that facilitates reaching greenhouse gas emissions reduction without injury to the utilities or the ratepayers.

Respectfully submitted,

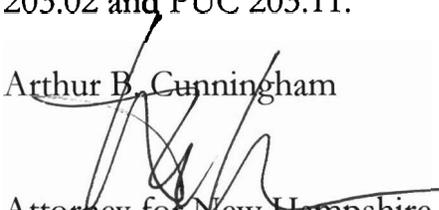


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CERTIFICATE OF SERVICE

Service was made on all parties this 22<sup>nd</sup> day of February 2008 pursuant to PUC 203.02 and PUC 203.11.

Arthur B. Cunningham

  
Attorney for New Hampshire Sierra Club