

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION



October 2, 2009 - 10:05 a.m.
Concord, New Hampshire

 ORIGINAL

**RE: DE 09-158
PUBLIC SERVICE OF NEW HAMPSHIRE
TARIFF FILING TO MODIFY ITS
PEAKSMARTPLUS PROGRAM
(PREHEARING CONFERENCE)**

PRESENT:

Chairman Thomas B. Getz, Presiding

Sandy Deno - Clerk

APPEARANCES:

Reptg. Public Service of N.H.:
Gerald M. Eaton, Esq.

Reptg. PUC Staff:
Lynn Fabrizio, Esq.

Reptg. Office of Consumer Advocate:
Meredith A. Hatfield, Esq.

Reptg. National Grid:
Alexandra E. Blackmore, Esq.

COURT REPORTER: Susan J. Robidas, LSCR/RPR No. 44

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I N D E X

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P R O C E E D I N G S

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3 CHAIRMAN GETZ: Good morning,
4 everyone. We'll open the prehearing conference
5 in Docket DE 09-158. On August 27th, Public
6 Service Company of New Hampshire filed a request
7 for approval of tariff revisions, proposing
8 certain changes to its PeakSmartPlus program. It
9 proposes to change certain program design
10 elements and relevant tariff provisions governing
11 the Voluntary Interruptible Program rate. It
12 proposes to revise existing programs to include
13 direct administration by PSNH and funding through
14 forward capacity market revenues. The order of
15 notice was issued on September 15th setting the
16 prehearing conference for today. Note for the
17 record that the affidavit of publication has been
18 filed and that we have a notice of participation
19 by the Office of Consumer Advocate and a petition
20 to intervene by National Grid.

21 So let's start with statements
22 of the positions of the parties. And I guess --
23 I think the filing by National Grid indicated
24 there was no objection to the motion to

1 intervene. Is that correct?

2 MS. BLACKMORE: That's
3 correct.

4 CHAIRMAN GETZ: Thank you.
5 Mr. Eaton.

6 MR. EATON: Thank you.
7 Public Service Company
8 currently operates a voluntary interruptible
9 program. And under its tariff, we have the
10 option of having our customers participate
11 specifically in the ISO New England Demand
12 Response Program. We have enrolled customers
13 under this program, and it has been, to our
14 assessment, been successful. This is in response
15 to certain directives that, first of all, come
16 from the Energy Policy Act of 2005. And in the
17 advanced metering docket, there was a commitment
18 made by the parties to provide both management
19 programs to their large customers. And also in
20 PSNH's rate case, DE 06-028, it was -- PSNH was
21 encouraged to improve its load factor by reducing
22 peak demand, which this program does.

23 The funding for this program
24 will end on May 31st, 2010. And really, this

1 proceeding is looking for a new funding source to
2 allow us to make these payments to participating
3 customers. Our proposal has a specific
4 suggestion, but we're quite amenable to any other
5 suggestions that the parties have in order to
6 continue this program. And we'd like to have a
7 decision from the Commission in a time frame so
8 that, in case there is no funding source, we can
9 inform these customers that they'll need to look
10 for service from a competitive supplier of this
11 type of demand response program and -- in case
12 PSNH cannot continue past May 31st.

13 CHAIRMAN GETZ: Thank you.
14 Ms. Blackmore.

15 MS. BLACKMORE: Thank you.
16 National Grid is interested in participating in
17 this proceeding and would like to better
18 understand how and if -- or if and how the
19 program will affect customers who are
20 participating in the forward capacity auctions,
21 either individually or through competitive demand
22 response providers, and also to understand the
23 potential impact this offering might have on
24 forward capacity market participation and

1 compensation levels in the future. Thank you.

2 CHAIRMAN GETZ: Thank you.

3 Ms. Hatfield.

4 MS. HATFIELD: Good morning,
5 Mr. Chairman. The OCA is still reviewing the
6 filing and the early discovery that Staff has
7 started. We are generally very supportive of
8 customers in New Hampshire, large customers
9 having demand response options. We understand
10 the benefits that all customers can enjoy from
11 these types of programs. But we do have a few
12 concerns that we will be exploring in this
13 docket. One is the fact that PSNH is proposing
14 to fund the program through the CORE programs.
15 We're very concerned about diverting system
16 benefits, charge funds that already are not
17 sufficient to meet the energy efficiency goals of
18 the state.

19 And then, secondly, we have a
20 lot of questions on an issue that's been touched
21 upon by both utilities, which is: What are the
22 other options available to these customers? Is
23 there a robust set of competitive demand response
24 providers in the market who are able to provide

1 these services? So we'll be looking for
2 information in those areas and looking at is it
3 appropriate for the distribution utility paid for
4 by ratepayers to run these types of programs, or,
5 you know, should we really be looking to the
6 market to provide them. So those are the types
7 of things that we're going to be wanting to
8 explore in this docket. Thank you.

9 CHAIRMAN GETZ: Thank you.

10 Ms. Fabrizio.

11 MS. FABRIZIO: Thank you, Mr.
12 Chairman. Staff also is still reviewing the
13 filing and the responses that PSNH has made to
14 the data requests that we've already sent out.
15 So while we do not yet have a defined position,
16 we do note that PSNH's proposal raises very
17 important policy questions with respect to demand
18 response programs, the cost and benefits flow of
19 such programs, the financial risks involved, and
20 appropriate funding mechanisms for those. We
21 look forward to delving into those issues with
22 the parties.

23 CHAIRMAN GETZ: Okay. Thank
24 you. I guess I just have the timing issue

1 concerns me. Is everyone of the mind that we can
2 address this issue in a way that -- customers who
3 are, I guess, participating under this program,
4 the option is going to end in May. Is this
5 something we're going to be able to do in a
6 timely fashion? Does anyone have any thoughts on
7 that issue, or is that -- I assume that's going
8 to be a big part of the technical session. But
9 can anybody give me some thoughts on where this
10 may be going or what type of procedure or...

11 MR. EATON: We have a hearing
12 scheduled for later on this month, the 21st or --

13 MS. FABRIZIO: The 24th.

14 MR. EATON: So I think the
15 process will probably be mostly done through
16 technical sessions and settlement talks. There
17 isn't -- and through oral discovery. And the
18 hope was that after that hearing the Commission
19 could render a decision before the end of the
20 year or -- in order for these customers to be
21 able to make provisions if it turns out to be
22 that PSNH would no longer be able to offer this
23 service.

24 MS. FABRIZIO: Mr. Chairman,

1 I'd like to just make one correction that Mr.
2 Eaton wasn't aware of. We have had to change the
3 hearing date to closer to the end of November.
4 It's November 24th, which still will bring us
5 within the December 1st timeline that PSNH
6 requested as an alternative to October 1st. And
7 Staff has discussed the issue of the timing, as
8 well as the issues involved in this case. And we
9 believe that, although they are complex issues,
10 we believe that there is a good probability of
11 reaching conclusion in time to meet the time
12 frame PSNH has requested.

13 CHAIRMAN GETZ: All right. Is
14 there anything else to bring forward this
15 morning?

16 (No verbal response)

17 CHAIRMAN GETZ: Okay. Hearing
18 nothing, then we'll close the prehearing
19 conference and wait for a recommendation on
20 further steps. Thank you, everyone.

21 (WHEREUPON, the hearing was adjourned
22 at 10:14 a.m.)

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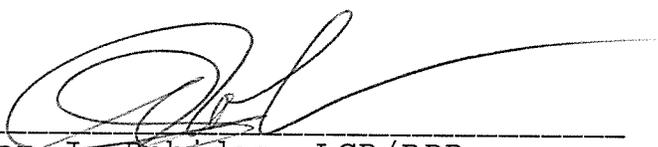
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C E R T I F I C A T E

I, Susan J. Robidas, a Licensed
Shorthand Court Reporter and Notary Public
of the State of New Hampshire, do hereby
certify that the foregoing is a true and
accurate transcript of my stenographic
notes of these proceedings taken at the
place and on the date hereinbefore set
forth, to the best of my skill and ability
under the conditions present at the time.

I further certify that I am neither
attorney or counsel for, nor related to or
employed by any of the parties to the
action; and further, that I am not a
relative or employee of any attorney or
counsel employed in this case, nor am I
financially interested in this action.



Susan J. Robidas, LCR/RPR
Licensed Shorthand Court Reporter
Registered Professional Reporter
N.H. LCR No. 44 (RSA 310-A:173)