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June 15, 2012

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



Re: Docket No. DE 12-097
Electric and Natural Gas Utilities
Investigation into Purchase of Receivables, Electronic Interchange and Customer Referral
Report on Technical Session and Proposed Procedural Schedule

Dear Ms. Howland:

Pursuant to an Order of Notice issued May 3, 2012, the Commission held a prehearing conference in the above-captioned matter on May 31, 2012. The Order of Notice identified the electric and natural gas utilities as mandatory parties to the proceeding. All natural gas and electric distribution companies serving New Hampshire customers entered appearances at the prehearing conference with one exception: the New Hampshire Electric Cooperative, Inc. was not present at the prehearing conference or the technical session that followed.

The Office of Consumer Advocate filed a letter with the Commission on May 9, 2012 stating that it would be participating in the proceeding on behalf of residential customers. The Commission granted all pending petitions to intervene at the prehearing conference.

The Chairman requested that, in addition to developing a procedural schedule for the investigation, Staff and the parties use the technical session to attempt to reach agreement on the scope of the proceeding. Staff's report includes a proposed scope and a proposed procedural schedule.

Scope of Proceeding

At the technical session, Staff and the parties first discussed the merits of including the natural gas utilities in the investigation. At the prehearing conference, Staff pointed out that residential customers are prohibited from purchasing natural gas from competitive suppliers under the Commission's policy on retail choice, and that mandatory capacity assignment

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limits the opportunities small commercial and industrial customers have to achieve meaningful cost savings when purchasing gas from competitive suppliers. It was also noted that New Hampshire's natural gas utilities do not have electronic data interchange (EDI) systems in place to support the exchange of large quantities of data among competitive suppliers and utilities, which is a characteristic of competitive markets for small customers. As a result of these discussions, Staff and the parties concluded that it would not be appropriate to discuss implementing for natural gas utilities the market enhancements proposed in Docket No. DE 10-160 by the Retail Energy Supply Association (RESA). For this reason, Staff and the parties recommend that the scope of this generic investigation be limited to New Hampshire's electric distribution utilities. Staff and some of the parties recommend that the Commission further explore restructuring of the natural gas market at the conclusion of this proceeding. Please note that EnergyNorth Natural Gas, Inc. intends to submit a separate letter addressing its concerns regarding issues concerning the natural gas industry and does not agree with all statements made in this paragraph.

Staff and the parties agree that the scope of the proceeding should include an examination of the costs and benefits of purchase of receivables (POR), customer referral, and electronic interfacing, including the collection of the associated costs. At the technical session, Staff and the parties also discussed whether to address in this proceeding the Public Service Company of New Hampshire (PSNH) tariffed competitive supplier charges that were raised by Power New England (PNE) in Docket No. DE 12-093. Staff suggested and the parties did not object to considering on a generic basis how the costs associated with the provision of competitive supplier services generally should be collected.

Staff and the parties also agreed that any new issues other than those recited above related to the enhancement of the competitive electric market will not be considered in this docket but that any party may recommend that the Commission consider additional issues at the conclusion of this investigation either in a second phase of this docket or in a separate proceeding.

During the technical session, PSNH reiterated the position it had earlier stated on the record that the development of uniform policies binding on the state's electric utilities, competitive suppliers and customers would require a rulemaking subject to the requirements of the Administrative Procedures Act in Chapter 541-A. PSNH outlined a 3-step process, with this generic investigation into whether any such policies are warranted as the first step. If development of policies is found to be warranted, then PSNH posits that per Part Puc 205 of the Commission's rules a rulemaking would have to be noticed. Finally, if new rules are ultimately placed into effect, PSNH asserts that an implementation process would be required for each utility. RESA disagrees with PSNH's position Staff and the other parties take no position at this time on PSNH's position.

Proposed Procedural Schedule

Staff and the parties agreed to propose the following procedural schedule to the Commission. In connection with this agreement, Staff and the parties took into consideration that the parties responding to data requests may ask for additional time to respond to data requests. Further, because the proposed procedural schedule does not provide for pre-filed rebuttal, the parties agreed that RESA, PNE and TransCanada (the suppliers) should be afforded an opportunity at the hearing to rebut the pre-filed testimony submitted by Staff and the other parties. In addition, it was agreed that each of the parties filing testimony on September 10, 2012 should also be afforded an opportunity at the hearing to rebut the testimony submitted by each other party. Finally, Staff and the parties believe that the Commission should allow, if necessary, additional time to assure that the investigation undertaken in this docket is both thorough and complete.

Supplier Testimony	July 13, 2012
Discovery on Testimony	July 27, 2012
Responses to Discovery	August 10, 2012
Technical Session	August 16, 2012
Staff/OCA/Intervenor Testimony	September 10, 2012
Discovery on Testimony	September 24, 2012
Responses to Discovery	October 15, 2012
Technical Session	October 24, 2012
Settlement Discussions	November 7, 2012
Hearing (2 days)	November 27 and 28, 2012

Staff on behalf of the parties respectfully requests that the Commission approve the scope of the proceeding as recited above and the proposed procedural schedule.

Sincerely,



Suzanne Amidon
Staff Attorney

Service List