

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

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

March 18, 2014 - 10:07 a.m.
Concord, New Hampshire

NHPUC MAR25'14 AM 9:37

RE: DG 13-313
LIBERTY UTILITIES (ENERGYNORTH NATURAL
GAS) CORP.: Integrated Resource Plan.
(Prehearing conference)

PRESENT: Chairman Amy L. Ignatius, Presiding
Commissioner Robert R. Scott
Commissioner Martin P. Honigberg

Clare Howard-Pike, Clerk

APPEARANCES: Reptg. Liberty Utilities (EnergyNorth
Natural Gas) Corp.:
Sarah B. Knowlton, Esq.

Reptg. Residential Ratepayers:
Rorie E. P. Hollenberg, Esq.
Office of Consumer Advocate

Reptg. PUC Staff:
Michael J. Sheehan, Esq.
Alexander F. Speidel, Esq.
Stephen P. Frink, Asst. Dir./Gas & Water Div.
Al-Azad Iqbal, Staff Analyst

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

ORIGINAL

✓

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:

Ms. Knowlton 4

Ms. Hollenberg 5

Mr. Sheehan 6

QUESTIONS/COMMENTS BY:

Cmsr. Scott 6

Cmsr. Honigberg 9

P R O C E E D I N G

1
2 CHAIRMAN IGNATIUS: I'd like to open the
3 hearing in Docket DG 13-313. This is Liberty Utilities'
4 Integrated Resource Plan. The Company filed its plan on
5 November 1st, 2013. And, it covers the period of
6 November 1 through October 31, 2018, and provided details
7 of Liberty's resource planning process and strategies
8 based on present market conditions and current forecast of
9 requirements. On January 21st, 2014, we scheduled a
10 prehearing conference for this morning, followed by a
11 technical session, and also sought motions to intervene.
12 There's nothing yet in the file that I received, but we'll
13 take that up in a moment, if there is anyone who is
14 seeking intervention.

15 So, let's begin first with appearances
16 please.

17 MS. KNOWLTON: Good morning,
18 Commissioners. My name is Sarah Knowlton. I'm here today
19 on behalf of Liberty Utilities (EnergyNorth Natural Gas)
20 Corp. And, with me today from the Company is Stephen
21 Hall, Chico DaFonte, Martin DeBruin, and Ted Poe from
22 National Grid.

23 CHAIRMAN IGNATIUS: Good morning,
24 everyone.

1 MS. HOLLENBERG: Good morning,
2 Commissioners. Rorie Hollenberg, here for the Office of
3 Consumer Advocate.

4 CHAIRMAN IGNATIUS: Good morning.

5 MR. SHEEHAN: Good morning. Mike
6 Sheehan, for Staff of the Commission. Present is Alex
7 Speidel, Staff Counsel; Steve Frink, Assistant Director of
8 the Gas Division; and Al-Azad Iqbal, a Staff Analyst.

9 CHAIRMAN IGNATIUS: Good morning. Is
10 there any entity seeking intervention that anyone knows
11 of? There's nothing that's made it into our files.

12 MR. SHEEHAN: No.

13 CHAIRMAN IGNATIUS: It doesn't appear
14 that there's anyone here this morning. All right. Then,
15 why don't we have statements from the parties on what you
16 anticipate the docket to involve, any issues you see on
17 the horizon that may be problematic, and anything else
18 that you want to summarize as we kick off this proceeding.
19 Ms. Knowlton.

20 MS. KNOWLTON: Thank you. The filing of
21 this IRP arises out of Order 25,317. As the Commission is
22 aware, the IRP statute in New Hampshire only applies to
23 electric utilities. And, so, it's by Commission order
24 that this IRP is filed.

1 The Company diligently put together this
2 Plan, which is comprehensive in scope. The Company is
3 prepared to work with the Staff and the Office of Consumer
4 Advocate to respond to any questions, concerns or issues
5 that they have with regard to the Plan. We believe that
6 that the Plan is adequate, and would request ultimately
7 that the Commission enter an order finding its adequacy in
8 this docket.

9 I think the only outstanding issue at
10 the moment, from my perspective, is the development of a
11 procedural schedule, which we'll do, I'm sure, in the
12 technical session, and propose something to the Commission
13 for its consideration. Thank you.

14 CHAIRMAN IGNATIUS: Thank you.
15 Ms. Hollenberg.

16 MS. HOLLENBERG: Thank you. Good
17 morning. The Office of Consumer Advocate is primarily
18 interested in just monitoring the development of the IRP
19 and keeping abreast of the Company's plans for the future.
20 No outstanding issues that I'm aware at this point in time
21 to bring to your attention. But, to the extent that
22 that's necessary, we'll do so as the proceeding --

23 (Court reporter interruption.)

24 MS. HOLLENBERG: To the extent that

1 that's necessary, we will do so as the proceeding
2 proceeds.

3 CMSR. HONIGBERG: It sounded better the
4 first time.

5 (Laughter.)

6 CHAIRMAN IGNATIUS: It would make a
7 really terrible soap opera, "As the Proceeding Proceeds".
8 Okay. Mr. Sheehan.

9 MR. SHEEHAN: And, we will proceed next.
10 We've just conducted a preliminary review of the Plan, and
11 really have nothing to add to what Ms. Knowlton says.
12 We'll review, discuss with the Company, conduct discovery.
13 And, we don't see any particular issues at this point,
14 but, again, we will keep the Commission advised.

15 CHAIRMAN IGNATIUS: Thank you. Any
16 questions? Commissioner Scott.

17 CMSR. SCOTT: Yes. I had a couple
18 questions. I thumbed through your filing. I was curious,
19 I see that the number of non-heating residential customers
20 is projected to decrease, which is a little bit surprising
21 to me, and I was curious why that was. Is it that they're
22 expected to convert to heating customers also?

23 MS. KNOWLTON: If I may, I'm going to
24 ask Mr. DaFonte to respond to your question.

1 CMSR. SCOTT: Thank you.

2 MR. DaFONTE: Yes. That is correct. We
3 see -- it's not working.

4 (Mr. DaFonte referring to microphone.)

5 MR. DaFONTE: But the answer is "yes".
6 What we see in the future is that more customers that are
7 non-heating will switch to heating, due to the benefits of
8 natural gas as a heating source.

9 CMSR. SCOTT: Okay. I suppose that
10 makes sense, that the lines are already there, and they
11 just need to convert their appliance, their heating
12 appliance?

13 MR. DaFONTE: Exactly.

14 CMSR. SCOTT: Okay. Great. And, on
15 that same topic, so, I assume that, obviously, the
16 economics would drive some of the growth to natural gas
17 expansion. I was curious, what is limiting the -- you
18 know, why the numbers you have? What's limiting that
19 number? Why isn't it higher or what are the limiting
20 factors to that?

21 MR. DaFONTE: I would say that the
22 limiting factors, in some sense, are the customers being
23 able to afford to convert, meaning that they have to put
24 up, in some instances, a large amount of cash to fund a

1 conversion, you know, a new furnace, new appliances,
2 things like that. That may be one, you know, detractor
3 towards increased growth.

4 I would say that some of it is related
5 to just timing, you know, being able to get lines to
6 customers in a, essentially, a short period of time. The
7 construction period, you know, can be relatively short,
8 when you have that many customers wanting to convert.
9 But, obviously, the Company is trying to mobilize as many
10 crews as possible to do that.

11 CMSR. SCOTT: And, you anticipated my
12 next question, was, so, do you use outside crews or your
13 own crews? Or, how do you staff this demand for
14 expansion?

15 MR. DaFONTE: I can't really speak to
16 the way in which the Operations Group within the Company
17 contracts for those crews. But my understanding is that
18 there are a lot of outside crews that are brought in.

19 CMSR. SCOTT: Okay.

20 MS. KNOWLTON: And, I can add to that.
21 It is my understanding as well that the Company uses a mix
22 of inside crews and outside crews. And, to the extent
23 that there is a demand for installation of gas service,
24 the Company would increase the number of crews, the

1 outside crews that it works with. And, I think, you know,
2 there's a benefit from the Company's perspective to do
3 that, because it can, you know, bring in the crews and
4 ramp up its activities, and then, you know, decrease the
5 use of outside crews, as opposed to, you know, increasing
6 its internal workforce on a going-forward basis. And, I
7 think, in conjunction also with, you know, CIBS programs
8 and CIBS investment, you know, increases, the Company
9 looks to outside crews. So, that is the general mode of
10 operation.

11 CMSR. SCOTT: Thank you. That's good.
12 That's all I had.

13 CHAIRMAN IGNATIUS: Thank you.
14 Questions, Commissioner Honigberg?

15 CMSR. HONIGBERG: I don't have any
16 questions. I just have a comment. That during your
17 technical session, give some thought to whether you see
18 the need to have any limit on the number of data requests
19 or any types of discovery that you expect to engage in in
20 this proceeding. Expect to hear that question in other
21 proceedings as well, or that comment.

22 CHAIRMAN IGNATIUS: Thank you. If
23 there's nothing else, then we will send you off to your
24 development of a procedural schedule and review/discussion

1 of the issues in the technical session, and then we look
2 forward to seeing what's filed. And, with that, we're
3 adjourned.

4 **(Whereupon the prehearing conference was**
5 **adjourned at 10:16 a.m., and the Parties**
6 **and Staff conducted a technical session**
7 **immediately thereafter.)**

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