

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Docket No. DE 16-187

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a/ EVERSOURCE ENERGY

Auction of Electric Generation Facilities

COMMENTS
of
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
on
PETITIONS TO INTERVENE

September 19, 2016

Pursuant to RSA 541-A:32, N.H. Code of Admin Rule Puc 203.07, and the Order of Notice issued in this proceeding, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”) wishes to provide comments on the Petitions to Intervene filed by a number of petitioners.

1. The Commission issued its Order of Notice on September 7, 2016, opening this docket as an “expedited proceeding to oversee the process of auctioning the generation facilities owned by... Eversource.” Order of Notice at 1.

2. The decision to move forward with divestiture of Eversource’s generation facilities has a long, complex, and detailed history dating back to the enactment of HB 1392, “AN ACT restructuring the electric utility industry in New Hampshire and establishing a legislative oversight committee,” in 1996. With several starts and stops in the intervening years, the final decision to move forward with the divestiture process occurred nineteen years later by the Commission’s recent approval of the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement, and other ancillary agreements, in Order No. 25,920 issued on July 1, 2016 in Docket No. DE 14-238. In Docket No. DE 14-238, a docket that lasted nearly two years, the Commission took into consideration the long history of events related to Eversource’s generation business as well as recent changes made by the Legislature

when it enacted HB 1602, “AN ACT relative to the divestiture of PSNH assets and relative to the siting of wind turbines” in 2014 and SB 221, “AN ACT relative to electric rate reduction financing” in 2015. In Docket No. DE 14-238, the Commission allowed numerous parties to weigh-in on whether divestiture should move forward and whether the settlements before the Commission should be approved. Issues including economics, environment, rates, and the general public interest were thoroughly aired as part of Docket No. DE 14-238.

3. The Order of Notice initiating this proceeding indicated that this docket has a narrow scope that is intended to implement the decisions made in Docket No. DE 14-238. In particular, in Docket No. DE 14-238, the Commission approved the “Partial Litigation Settlement” which included the agreement (at paragraph 25) “that the issue of specific auction design(s) shall be presented in a separate adjudicatory docket to be opened by the Commission.” (*See also* Order No. 25,920 at 42-43). The present docket is that “separate adjudicatory docket” with a purpose of determining the specific auction design(s). As expressly stated in the Order of Notice, this docket has a primary objective of designing an auction process that minimizes stranded costs by maximizing the value received for the sale of the assets. The Order of Notice included secondary objectives subservient to the primary objective of accommodating the participation in the auction of municipalities and fairly allocating among individual assets the sale price of any assets that are sold as a group.

4. In some of the petitions for intervention, the petitioners have included many interests that go beyond the narrow scope of this proceeding.

5. In its petition, the Sierra Club indicated that this docket will likely involve issues including “environmental impacts, system reliability, generation diversification, and implications for rates paid by electricity customers in New Hampshire.” Sierra Club petition at ¶3. The Sierra Club stated that its “members have direct and substantial interests in the outcome of this proceeding including, but not limited to, its environmental and economic repercussions. For instance, intervention will allow the Sierra Club to protect its members’ substantial interests in the environmental and public health impacts resulting from auction and divestiture or retirement of PSNH’s generating assets.” *Id.* at ¶4.

6. Similarly, in its petition, the Conservation Law Foundation indicated that its members “have a strong and direct interest in environmental and economic considerations associated with the

operation of fossil fuel fired power plants currently owned and operated by Eversource, including its coal-fired electric generating facilities; the structure of New Hampshire's electric market, including the completion of restructuring; and the economic implications of divestiture and stranded costs." CLF petition at ¶3.

7. In the petition for intervention of the Town of New Hampton, that municipality cited its interest in "the viability of the future ownership and operation of the [Ayers Island hydro] facility." New Hampton petition at ¶3.

8. The City of Concord states in its petition for intervention that its interests are focused on the large tract of undeveloped land owned by Eversource referred to as the "Garvins Falls Road" property. "Concord has a direct interest in the auction process to secure its interests in the Garvin's Falls Road property, and the future development of Garvin's Falls as it relates to Concord's tax base. Concord's interests may be affected by the PUC's decisions and its intervention in this matter is necessary." Concord petition at ¶6. During Docket No. DE 14-238, Concord raised the same issue and interests, petitioned for intervention (docketed October 30, 2015), then withdrew that intervention request (December 7, 2015) stating "As a result of Eversource's December 4, 2015 letter [from its Vice President William H. Smagula] and its representation that the Property will not be sold by Eversource as a part of the divestiture, the City's interest in this matter is resolved." (Eversource's December 4, 2015 letter is included in the record of Docket No. DE 14-238 at the Commission's virtual docketbook Tab 178, "Attachments.") As Concord's issue was resolved in Docket No. DE 14-238, and the representations made by Mr. Smagula have not changed, there is no need or basis to revisit the same issue in this new proceeding.

9. Although not objecting to the petitions for intervention discussed above, Eversource asks the Commission to limit any grant of intervention to the narrow scope of this proceeding, per the authority of RSA 541-A:32, III.

Respectfully submitted this 19th day of September, 2016.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
d/b/a EVERSOURCE ENERGY**

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CERTIFICATE OF SERVICE

I certify that on this date I caused this pleading to be served on parties on the Commission's service list for this docket, as well as on parties who have filed timely intervention petitions in this docket.

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FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

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b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.

c) Serve a written copy on each person on the service list not able to receive electronic mail.

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