

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DE 16-187

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

Auction of Electric Generation Facilities

**COMMENTS OF THE TOWN OF BRISTOL AS AN INTERVENOR REGARDING THE
PROPOSED AMENDMENTS TO AUCTION PROCEDURE AS SET FOR BY J.P.
MORGAN**

NOW COMES, the Town of Bristol, New Hampshire (“Town”) in its capacity as an intervenor in the above-captioned matter in order to provide its Comments on the proposed amendments to the auction procedure, as proposed by J.P. Morgan, for the prospective sale of the generation assets of Public Service of New Hampshire d/b/a Eversource Energy (“PSNH”) and in support of same state the following:

I. THE AMENDMENTS FAILS TO ENSURE THAT THE MUNICIPALITIES WILL BE ABLE TO PROTECT THEIR TAX BASE.

1. The Town had advocated, in prior comments on the auction process, for the municipalities to offer a value within the first round that did not constitute a bid from which the auction advisor could assist each town or city with understanding how that value compared with the first round of bids. As a result, the Town, whose primary purpose in participating in this case is to protect its tax base, would have an understanding of the need (or lack thereof) to proceed with the statutory process under RSA 38 as a means of submitting a binding bid. Thankfully, J.P. Morgan has adopted that approach, however, there remains a significant issue that still has not been addressed by these latest amendments to the process.

2. Any and all bids submitted during phase I will be non-binding from which the actual binding bids provided in phase II may actually be much lower. Of course, the municipalities will not know if bidders have decided to bid high in the first round and then simply lower binding bids as the process move along. So, the Town may learn, from J.P. Morgan, that a number of soft bids are higher than the municipal value, in round one, and decide that no further effort is needed as the Town anticipates the tax base to be protected based upon the nature of the phase I bids. The Town may then come to learn, later and when nothing can be done, that the actual binding bids fall below the municipal value thereby endangering the tax base. The City of Berlin and the Town of Gorham have consistently maintained that a round three is necessary for the auction process in which the municipalities will have an opportunity to enter into the bidding if the binding bids reveal that the assets may sell for less than their assessment value. Whether it is a round three scenario or some other means, there must be a safety mechanism put in place that provides the municipalities with an ability to protect their tax base in the event that the generation assets fail to garner sufficient interest.

II. THE DEADLINE FOR FINAL BIDS DOES NOT PROVIDE SUFFICIENT OPPORTUNITY FOR MUNICIPAL PARTICIPATION IN THE AUCTION PROCESS.

3. J.P. Morgan has recommended adding an additional two months to the auction process in an effort to accommodate municipal participation. While the concession is appreciated, the problem still remains that the submission date of binding bids by early/mid May, 2017 fails to provide the proper timing for the municipalities to truly be involved in the process. If the auction process is not going to allow for a safety valve that permits municipalities to enter the bidding process at a later date then, the process must provide the municipalities with enough time to fulfill their statutory obligations prior to entering a binding bid. Practically speaking, the

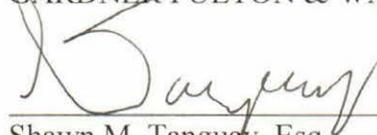
municipal process for the purchase of an asset, like Ayers Island, will involve multiple meetings of the Town's governing body (the Board of Selectmen) who will have to analyze the benefits and/or burdens from which additional informational sessions with the public will be needed in order to educate the residents prior to any vote on the subject. Once all of that has taken place, RSA 38 requires that the Town conduct a town meeting to determine if "it is expedient to do so" and then another town meeting is required to "decide whether or not to acquire the plant and property at such price". *See N.H. Rev. Stat. Ann. §38:4 & 13.*

Simply put, there is no way that any municipality (with a town form of government) will be able to accomplish all of these tasks as well as perform all of its obligations for an annual town meeting prior to the early/mid May deadline as proposed by J.P. Morgan. The auction process needs to provide additional flexibility if municipalities are to be treated as potential purchasers of such a facility.

Respectfully Submitted,

Town of Bristol, New Hampshire
By and through its legal counsel:

GARDNER FULTON & WAUGH, PLLC

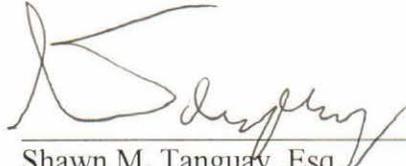


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CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of October, 2016, a copy of the foregoing was sent by electronic mail to persons named on the Service List of this docket pursuant to N.H. Code of Admin. Rule Puc 203.11(a)(1).



Shawn M. Tanguay, Esq.