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STATE OF NEW HAMPSHIRE



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NHPUC 17JUN15PM1:45

June 17, 2015

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

Re: DE 14-238, Public Service Company of New Hampshire Generation Asset Proceeding  
Staff Response to Joint Motion for Expedited Approval of Settlement Agreement and  
Rate Adjustments

Dear Ms. Howland:

This letter serves as the timely response by Non-Advocate Staff ("Staff"), made pursuant to N.H. Code Admin. Rules Puc 203.07(e), to the *Joint Motion for Expedited Approval of Settlement Agreement and Rate Adjustments* ("Motion") filed on June 10, 2015, in the above-captioned proceeding by the parties to the related Settlement Agreement ("Settling Parties").<sup>1</sup>

Staff appreciates the efforts of the Settling Parties to collectively develop a proposed procedural schedule for the remainder of this proceeding, presented at pp. 7-8 of the Motion. Having reviewed the proposed procedural schedule, however, Staff is unable to furnish its concurrence.

Staff shares the Settling Parties' stated desire for an administratively efficient, focused proceeding going forward. Staff believes that an alternative approach to the organization of this matter, as presented below, will better serve this goal, and will also accommodate the need for Staff, the Settling Parties, and other parties to engage in the full information gathering and public interest analysis called for by RSA 369-B:3-a, II, which governs the parameters of this expedited proceeding.

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<sup>1</sup> The Settling Parties are as follows: New Hampshire District 3 Senator Jeb Bradley, New Hampshire District 15 Senator Dan Feltes, the Office of Energy and Planning, Designated Advocacy Staff of the New Hampshire Public Utilities Commission, the Office of Consumer Advocate, the City of Berlin, New Hampshire (subject to ratification by the Berlin City Council), the International Brotherhood of Electrical Workers Local 1837, the Retail Energy Supply Association, the New England Power Generators Association, the Conservation Law Foundation, TransCanada Power Marketing, Ltd. and TransCanada Hydro Northeast, Inc., the New Hampshire Sustainable Energy Association d/b/a NH CleanTech Council, Public Service Company of New Hampshire d/b/a Eversource Energy ("PSNH") and Eversource Energy.

In Staff's alternative proposed schedule, hereby tendered for the Commission's consideration, several procedural features are integrated in parallel, with a goal of expeditiously generating sufficient information for a Staff recommendation as to whether the Settlement Agreement is in the public interest, as required by RSA 369-B:3-a, II:

(1) a deadline for testimony by parties other than Non-Advocate Staff, including, but not limited to, the Settling Parties, that would serve to better accommodate their preparatory work;

(2) a related deadline for the filing of testimony that is responsive to the testimony referred to in item 1, incorporating the need for thorough discovery in this complex matter;

(3) the completion of an independent consultant's environmental assessment of PSNH's physical generation assets, commissioned by Staff and conducted pursuant to RSA 374:4 and 365:6, with a focus on legacy environmental contamination (if any) of the physical plants (as referred to in Staff's Brief of December 5, 2014 in this proceeding, on p. 4), to provide information critical to empirical asset valuation;

(4) a deadline for the completion, by a Staff-commissioned consultant, of a general economic assessment of the potential impacts of the sale of PSNH's generation assets on the economy in PSNH's service territory, as delineated in RSA 369-B:3-a, II;

(5) a date for an actual conditional auction of PSNH's generation fleet for the purposes of empirical sale price/value discovery, to inform the analysis of Staff and other parties prior to a final Commission determination regarding divestiture, obviating the need for a lengthy and technically complex hypothetical valuation analysis of these assets;

(6) provision for a hearing on temporary rates for certain cost recovery elements<sup>2</sup> specified in the Settlement Agreement, as requested by the Settling Parties in their Motion (Point 18, pp. 10-11), with temporary rates (if approved by the Commission) to take effect on January 1, 2016 (subject to reconciliation after a final Commission Order in this proceeding); and

(7) accommodation of four technical sessions to enable the parties to discuss matters brought forward in testimony, discovery, reports, etc.

Through these features, Staff expects that a thorough public-interest standard analysis of the proposed Settlement Agreement's terms and effects can be undertaken as specified by the Legislature, while also ensuring a more efficient and timely proceeding. Staff's proposed schedule is presented on the next page.

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<sup>2</sup> Staff expects that the Commission will address the Settling Parties' request for PSNH Reliability Enhancement Program funding rates in a separate proceeding.

DE 14-238

Staff Response to Motion of Settling Parties

June 17, 2015

Page 3 of 3

June 29, 2015	Staff Environmental Assessment Consultant and Staff Economic Impact Consultant Begin Work
July 31, 2015	Testimony of Settling Parties, and other interested parties (not including Non-Advocate Staff) Filed
Until August 31, 2015	Rolling Data Requests on 7/31 Testimony (2 weeks to respond)
September 10, 2015	Staff-Commissioned Economic Impact Study Filed
September 15, 2015	TECHNICAL SESSION (at 9:00 a.m.)
Until September 30, 2015	Rolling Data Requests on Economic Impact Study (2 weeks to respond)
October 1, 2015	Staff Environmental Assessment Consultant Report Filed
October 15, 2015	TECHNICAL SESSION (at 9:00 a.m.)
November 2, 2015	Conditional Auction of Generation Assets Conducted
November 5, 2015	Results of Conditional Auction Announced
November 9, 2015	Settling Parties' Testimony on Temporary Rates re: Scrubber
November 16, 2015	Discovery on Temporary Rates Filed
November 25, 2015	Responses to Discovery on Temporary Rates Due
December 2, 2015	TECHNICAL SESSION (at 9:00 a.m.)
December 9, 2015	Rebuttal Testimony on Temporary Rates (if any)
December 14, 2015	Testimony of Staff and other Non-Settling Parties, and Updated Testimony from Settling Parties (if any), Filed on Settlement Agreement
December 17, 2015	Hearing on Temporary Rates (to be effective, if approved, on January 1, 2016) (at 9:00 a.m.)
Until January 4, 2016	Rolling Data Requests on 12/14 Settlement Agreement Testimony (2 weeks to respond)
January 20, 2016	TECHNICAL SESSION (at 9:00 a.m.)
January 25, 2016	Rebuttal Testimony on 12/14 Testimony (if any)
February 2, 2016	Hearing on the Merits (at 9:00 a.m.)

Staff thanks the Commission for its consideration of its response and the proposed alternative procedural schedule.

Sincerely,

*/s/ Alexander F. Speidel*

*/s/ Michael J. Sheehan*

Alexander Speidel  
Staff Attorney/Hearings Examiner

Michael Sheehan  
Staff Attorney/Hearings Examiner

Cc: Service List

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**Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.**

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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.**