

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

September 25, 2019 - 10:10 a.m.
Concord, New Hampshire

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RE: DE 19-120
LIBERTY UTILITIES (GRANITE STATE
ELECTRIC) CORP. d/b/a LIBERTY
UTILITIES: 2019 Least Cost
Integrated Resource Plan.
(Prehearing conference)

PRESENT: Cmsr. Kathryn M. Bailey, Presiding
Cmsr. Michael S. Giaimo

Sandy Deno, Clerk

APPEARANCES: Reptg. Liberty Utilities (Granite
State Electric) Corp. d/b/a
Liberty Utilities:
Michael J. Sheehan, Esq.

Reptg. the City of Lebanon, N.H.:
Clifton C. Below, Asst. Mayor

Reptg. Residential Ratepayers:
D. Maurice Kreis, Esq., Consumer Adv.
Office of Consumer Advocate

Reptg. PUC Staff:
Brian D. Buckley, Esq.
Richard Chagnon, Asst. Dir./Electric
Kurt Demmer, Electric Division
Elizabeth Nixon, Electric Division

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

CERTIFIED
ORIGINAL TRANSCRIPT

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**DISCUSSION ON MOTION TO WAIVE THE
REQUIREMENT UNDER PUC 203.02 (a)**

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**DISCUSSION ON MOTION FOR
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**DISCUSSION ON PETITION FOR INTERVENTION
BY THE CITY OF LEBANON**

8

STATEMENTS OF PRELIMINARY POSITION BY:

Mr. Sheehan

8

Mr. Below

11

Mr. Kreis

13

Mr. Buckley

16

QUESTIONS BY:

Cmsr. Bailey

12

P R O C E E D I N G

CMSR. BAILEY: Good morning. We're here in Docket 19-120, to consider Liberty Utilities' Least Cost Integrated Resource Plan. I note for the record that we received an affidavit of publication on September 20th. We have an intervention request from the City of Lebanon, and a notice that the OCA plans to participate.

We have two motions to talk about. One motion, that seems to be agreed to by most of the parties, to waive the requirement of Puc 203.02(a), which requires six paper copies of all filings with the Commission. The Company seeks a waiver from that requirement for its Standard Operating Procedures, Attachment 6 to it's filing, which is more than 2,000 pages. And Liberty filed that document electronically.

The second motion is a Motion for Confidential Treatment of Attachment 1 to its filing, which is 122 pages. And, Liberty argues that it contains information similar to that which the Commission granted confidential treatment for Unitil in 2006, regarding details

1 about its distribution system and drivers of
2 investment decisions in the distribution system
3 capacity.

4 Before we do anything else, let's
5 take appearances.

6 MR. SHEEHAN: Good morning,
7 Commissioners. Mike Sheehan, for Liberty
8 Utilities (Granite State Electric). And some
9 of the names on the testimony may be new to
10 you. So, behind me are the gentlemen who filed
11 testimony: Mr. Rivera, Mr. Johnson, and Mr.
12 Strabone.

13 Thank you.

14 CMSR. BAILEY: Good morning.

15 MR. BELOW: Good morning,
16 Commissioners. On behalf of the City of
17 Lebanon, I'm its Assistant Mayor, Clifton
18 Below.

19 CMSR. BAILEY: Good morning.

20 MR. KREIS: Good morning,
21 Commissioners. I'm Don Kreis, the Mayor of the
22 Office of the Consumer Advocate, here on behalf
23 of residential ratepayers.

24 MR. BUCKLEY: Good morning,

1 Commissioners. My name is Brian D. Buckley,
2 here representing the Public Utility Commission
3 Staff. And the staffers with me here today
4 from the Electric Division are Mr. Rich
5 Chagnon, Elizabeth Nixon, and Mr. Kurt Demmer.

6 CMSR. BAILEY: Good morning. All
7 right. Are there any objections to the Motion
8 to Waive the Filing Requirement of six copies
9 of the 2,000 page document, or will the
10 electronic copy suffice?

11 MR. BELOW: No objection from the
12 City.

13 MR. BUCKLEY: And no objection from
14 Staff.

15 MR. SHEEHAN: And we did file --

16 MR. KREIS: Nor from the OCA.

17 MR. SHEEHAN: We did file one paper
18 copy.

19 CMSR. BAILEY: And that's -- thank
20 you for clarifying that, yes. We do have one
21 paper copy of it. All right.

22 *(Cmsr. Bailey and Cmsr. Giaimo*
23 *conferring.)*

24 CMSR. BAILEY: All right. I think,

1 as compliance would be onerous, and the purpose
2 of the rule is satisfied by the electronic
3 copy, in this instance we will grant that
4 waiver.

5 Let's talk about the Motion for
6 Confidential Treatment. Does anybody have any
7 opinions on that motion?

8 So, Mr. Buckley.

9 MR. BUCKLEY: Staff does have some
10 concern about the request, the blanket request
11 for confidential treatment of the information
12 included in what is Attachment 1 to the
13 Company's testimony. This is an issue that we
14 plan to expound upon in our initial statement
15 here today, and then to explore further with
16 the parties in the technical session that
17 follows today.

18 Our recommendation would be that the
19 Commission not rule on that request at the
20 hearing today, but rather ask that the parties
21 treat the information as confidential for the
22 pendency of the proceedings.

23 CMSR. BAILEY: Okay. Mr. Sheehan, I
24 looked at the document for which you're

1 requesting confidential treatment, and it
2 doesn't look like every page is confidential.

3 It looks like it's -- do you think it
4 would be possible to redact the most -- or, the
5 true confidential information, or do you -- is
6 your position that the entire document is
7 confidential?

8 MR. SHEEHAN: I'm sure we could do a
9 more selective redaction. Basically, with a
10 100-page document, that's an incredibly
11 labor-intensive process, which is, frankly, one
12 reason why we asked -- made the request we did.

13 It sounds like at least Staff would
14 like a less redacted or a selectively redacted
15 document. I'm sure we can work with them to do
16 that. And, over time, maybe we can agree that
17 these 14 pages or 74 pages are properly
18 redacted.

19 CMSR. BAILEY: All right. Is that
20 what you had in mind, Mr. Buckley?

21 MR. BUCKLEY: It is, yes.

22 CMSR. BAILEY: Perfect. Okay. So,
23 we'll leave you to advise further on what
24 should remain confidential. Thank you.

1 Okay. Let's take initial positions.

2 Mr. Sheehan.

3 MR. SHEEHAN: And the other motion
4 was Lebanon's intervention.

5 CMSR. BAILEY: Oh.

6 MR. SHEEHAN: We do not object, to
7 get that out of the way.

8 CMSR. BAILEY: Thank you. Thank you.
9 I apologize, Mr. Below.

10 Any objections to Mr. Below's
11 intervention?

12 MR. BUCKLEY: No objection.

13 MR. KREIS: As long as he promises to
14 behave himself, we're fine with it.

15 CMSR. BAILEY: All right. That
16 intervention will be granted. Thank you.

17 All right. Now, let's take initial
18 positions. Thank you for that prompt,
19 Mr. Sheehan.

20 MR. SHEEHAN: Sure. Liberty's last
21 IRP was filed in early 2016, and was approved
22 in July of 2017 by Order 26,039. That order
23 also directed Liberty to file its next IRP by
24 July 1 of this year, 2019. We certainly

1 intended to do so, have started the process to
2 prepare that, but then the events of the Grid
3 Mod. docket intervened.

4 In February of 2019, Staff filed a
5 report in that docket, 15-296, which
6 recommended that electric distribution
7 companies file a "integrated distribution
8 plan", or IDP, which would be more
9 comprehensive and transparent than an LCIRP.
10 And that's roughly a quote from the Staff's
11 report.

12 We since had tech sessions in 15-296,
13 and have sketched out a schedule that would
14 require the utilities to file the IDPs in
15 Spring of 2020.

16 Given the substantial overlap between
17 a July 2019 IRP and a Spring 2020 IDP, and that
18 the more comprehensive IDP would effectively
19 supersede the IRP that would have been filed a
20 few months earlier, we sought a waiver of the
21 requirement to file the IRP in July. The
22 Commission partially granted that request, in
23 Order 26,261, and allowed Liberty to file a
24 more limited IRP now, understanding that the

1 more comprehensive IDP would be followed next
2 year.

3 The Commission specified that should
4 be in that more limited IRP, and I'm going to
5 quote here: "The purpose of this filing will
6 be to ensure that Liberty is adhering to
7 certain commitments made in its prior approved
8 LCIRP. Our approval of Liberty's 2016 LCIRP
9 contained specific deliverables and we will
10 require updates of those in Liberty's July 15
11 filing as follows: Confirmation that the
12 utility is currently following the processes of
13 system planning, using established procedures,
14 criteria, and policies outlined in its 2016
15 LCIRP, and achieving the objectives included in
16 its 2016 IRP."

17 And, second, "Copies of adopted
18 standard operating procedures for employees and
19 managers integrating day-to-day and long-term
20 planning consistent with the Company's
21 objectives of Least Cost Planning."

22 So, the filing we made by July 15th,
23 which brings us here today, that is the subject
24 of this document -- docket, addressed those two

1 points, those two requirements that the
2 Commission set out for the more limited IRP.

3 We are confident that its filing in
4 this docket demonstrates fulfillment of those
5 commitments and those requirements in Order
6 26,261. And we request a prompt review and
7 finding that our July 2019 filing complies with
8 the order, frankly, so that we can focus the
9 attention on the IDP that we're all working
10 towards next spring.

11 Thank you.

12 CMSR. BAILEY: Mr. Below.

13 MR. BELOW: Thank you. For several
14 years, the City has been trying to collaborate
15 with Liberty Utilities to advance the notion of
16 what could be called a "shared, integrated,
17 modern distribution grid". And, by "shared", I
18 just reference the notion that there's a lot of
19 participants, actors, stakeholders that use the
20 distribution grid, that there's an opportunity
21 to increase their participation and sort of
22 animate retail electricity markets, for a
23 variety of services. And also, to help achieve
24 goals that have been adopted by local

1 communities in New Hampshire, like Lebanon,
2 which, for instance, a decade ago embraced the
3 City's -- I don't mean the "City", the State of
4 New Hampshire's climate action goal of
5 80 percent of reduction in greenhouse gas
6 emissions by 2050. An increasing number of
7 municipalities are adopting even more
8 aggressive goals of total net decarbonization
9 or 100 percent renewables.

10 And we think that collaboration of
11 municipalities and Liberty Utilities is an
12 important aspect of cost-effectively moving
13 forward to enable sort of accelerated
14 integration of renewable energy resources and
15 other distributed resources, like storage and
16 demand response, on the distribution grid.

17 So, in light of that, the City looks
18 forward to a considered review of this filing,
19 and moving forward in the transition to
20 integrated distribution plan investment.

21 CMSR. BAILEY: So, do you expect
22 those issues to be addressed in this docket?

23 MR. BELOW: Not particularly, except
24 that one of the ways we've been trying to

1 collaborate is through constructive engagement
2 through a variety of proceedings. And,
3 obviously, a Least Cost Integrated Resource
4 Plan is, you know, it's part of that bigger
5 picture that we're working on.

6 CMSR. BAILEY: Okay. Thank you. Mr.
7 Kreis.

8 MR. KREIS: Thank you, Commissioner
9 Bailey. The Office of the Consumer Advocate is
10 on red alert when it comes to any docket
11 related to least cost integrated resource
12 planning, under RSA 378:38.

13 In Order Number 26,261, the
14 Commission granted Liberty's request for a
15 wholesale waiver of most of the LCIRP filing
16 requirements, essentially because the
17 Commission assumed that we will soon be
18 transforming least cost integrated resource
19 planning to so-called "integrated distribution
20 planning", in the manner now being discussed in
21 the Grid Modernization docket, IR 15-296.

22 We are concerned, and are therefore
23 alert to any signs in this docket, that the
24 Commission has prejudged certain issues that we

1 believe must be adjudicated in the Grid Mod.
2 docket, if the statutory and due process rights
3 of ratepayers are to be respected.

4 We also intend to use this docket,
5 and the companion Eversource proceeding, to
6 explore the extent to which planning processes
7 used by these utilities can be squared with the
8 approach we have proposed by the testimony we
9 have recently filed in the Grid Mod. docket.
10 And, in a sense, what I'm saying is the same
11 thing that I just heard Assistant Mayor Below
12 say, that we use all of these dockets as a way
13 of advancing our interest in collaborating with
14 the utilities about Grid Modernization issues.

15 At the risk of becoming tiresome, I
16 will repeat a point I have made in every single
17 LCIRP docket in which I have appeared since
18 becoming Consumer Advocate in early 2016. The
19 Commission has reduced LCIRP proceedings to
20 examinations of the adequacy of the capital
21 planning processes used by investor-owned
22 utilities. But RSA 378:39 requires the
23 Commission to go farther than that, and to look
24 at the extent to which "each proposed option",

1 by which the Legislature clearly meant "each
2 major capital investment", for the extent to
3 which those investments have potential
4 environmental, economic, and health-related
5 impacts.

6 The overall purpose of least cost
7 integrated resource planning is to require the
8 Commission to put the utilities to their proof,
9 with respect to how they are advancing the
10 state's energy policy, as plainly articulated
11 in RSA 378:37. That simply is not happening
12 now.

13 And I renew my call for the
14 Commission to follow the Legislature's
15 directives in this docket, every other LCIRP
16 docket, and in the Grid Mod. docket. Whether
17 you call it "LCIRP" or "IDP", this process
18 cannot remain the rote homework exercise it has
19 been allowed to become, because billions of
20 dollars in ratepayer money is at stake.

21 I apologize for trying everyone's
22 patience, particularly the Commission's, but
23 this is one chronic illness the OCA is
24 committed to curing.

1 CMSR. BAILEY: Mr. Buckley.

2 MR. BUCKLEY: Thank you, Commissioner
3 Bailey. Staff is still evaluating the issues
4 presented in the instant petition, but
5 identifies today, for the Commission, some of
6 the matters which it initially intends to
7 explore with the Company through the technical
8 session and procedural schedule that follows
9 today's hearing.

10 Those matters, which in a moment I
11 will expound upon briefly, include compliance
12 with the Commission Order Number 26,261,
13 consideration of least cost alternatives to the
14 Vilas Bridge transformer upgrade, the accuracy
15 of the Company's load forecasting and how that
16 relates to the prudence of planned investments,
17 and the need for confidential treatment of
18 certain information relating to the Company's
19 distribution system planning practices.

20 First, as Attorney Sheehan suggested,
21 the Company was directed under Order Number
22 26,261, the LCIRP waiver order, to confirm it
23 was: (1) "following the process of system
24 planning using established procedures,

1 criteria, and policies outlined in its 2016
2 LCIRP, and achieving the objectives included in
3 its LCIRP;" and (2) to file "copies of standard
4 operating procedures for employees and managers
5 integrating day-to-day and long-term planning
6 consistent with the Company's objectives of
7 Least Cost Planning."

8 As far as Commission Directive Number
9 2 mentioned a moment ago, the Company appears
10 to have complied with the Commission's
11 directive to file copies of the adopted
12 standard operating procedures for employees and
13 managers. However, with respect to Directive
14 Number 1, there seem to be numerous instances
15 in the documentation filed in the instant
16 petition where the Company may have departed
17 from the established procedures, criteria, and
18 policies outlined in its 2016 LCIRP. Those are
19 instances Staff seeks to better understand in
20 the technical session and discovery
21 opportunities that follow today's hearing.

22 Second, while the Company does make
23 reference to a process for consideration of
24 non-wire alternatives to an overloading

1 condition on its Vilas Bridge feeder
2 transformers, it provides no actual analysis
3 of non-wire alternatives that have been or will
4 be considered to alleviate the need on the
5 Vilas Bridge feeders. Staff intends to work
6 with the Company throughout the pendency of
7 this proceeding to better understand the needs
8 at Vilas Bridge and try to reach the least
9 cost-solution for those needs.

10 Third, Staff firmly believes that the
11 Company's LCIRP filings do not occur, and
12 should not be evaluated, in a vacuum. The
13 Company has an ongoing rate case in which
14 investments have been justified based on load
15 forecasts from previous LCIRPs. The accuracy
16 of the Company's forecasting methodology and
17 related prudence of planned investments is
18 something that Staff seeks to better understand
19 in the technical session and discovery
20 opportunities that follow today's hearing.

21 Finally, Staff questions the
22 Company's justification for confidential
23 treatment of Attachment 1 to the Company's
24 testimony in this docket. As noted in the

1 Company's Motion for Confidential Treatment at
2 Page 1, Attachment 1 is a document titled
3 "distribution line overarching strategy", and
4 consists of "guidance documents and strategies
5 [that are] used to evaluate the distribution
6 system for planning purposes." In its request
7 for confidential treatment, the Company cites
8 as justification a thirteen year-old Commission
9 order granting a request for confidential
10 treatment of data, an order to which no party
11 objected, relating to the key components of the
12 distribution system and their locations, as
13 well as how the distribution system is designed
14 and configured.

15 Staff absolutely recognizes the need
16 to protect from disclosure critical energy
17 infrastructure information, the disclosure of
18 which might lead to the diminished safety and
19 reliability of the electric distribution
20 system. However, the Company's blanket request
21 for confidential treatment of all distribution
22 system planning practices goes much further
23 than the necessary protections. The Company's
24 request for confidential treatment comes at a

1 time when the industry trend, as exemplified in
2 the IDP process proposed by the Staff
3 Recommendation on Grid Modernization, has been
4 to provide greater transparency,
5 accountability, and visibility into electric
6 system planning processes. It also comes at a
7 time when information related to the location
8 of key components of the distribution system
9 can be found through a relatively simple search
10 on Google Maps.

11 That said, we do not ask the
12 Commission to reject the Company's Motion for
13 Confidential Treatment today, rather, we
14 acknowledge that the Commission may, as the
15 common practice of the Commission has been, not
16 rule on the request for confidential treatment
17 today, but direct the parties to treat the
18 requested information as confidential during
19 the pendency of the proceeding.

20 Staff looks forward to addressing
21 these, and other issues, in the technical
22 session and procedural schedule that will
23 follow.

24 Thank you.

1 CMSR. BAILEY: All right. Is there
2 anything else we need to address, before we
3 leave you to your technical session?

4 *[No verbal response.]*

5 CMSR. BAILEY: Okay. Seeing none.
6 We will take the Motion for Confidential
7 Treatment under advisement. We ask that you
8 see during the technical session if you can
9 limit it, and we will keep it confidential
10 until our order issues on it. Thank you.

11 ***(Whereupon the prehearing***
12 ***conference ended at 10:30 a.m.,***
13 ***and a technical session was held***
14 ***thereafter.)***