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APPEARANCES: (C o n t i n u e d)

Reptg. Community Action Programs:
Dana Nute

Reptg. The Way Home:
Alan Linder, Esq. (N.H. Legal Assistance)

Reptg. the Jordan Institute, Inc.:
D. Dickinson Henry, Jr.

Reptg. Wal-Mart Stores East, L.P.:
Rebecca L. Tepper, Esq.

**Reptg. Home Builders & Remodelers
Association of New Hampshire:**
Kendall L. Buck

Reptg. Office of Energy & Planning:
Eric Steltzer

Reptg. Dept. of Environmental Services:
Joanne Morin

Reptg. Residential Ratepayers:
Meredith Hatfield, Esq., Consumer Advocate
Office of Consumer Advocate

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.

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P R O C E E D I N G S

CHAIRMAN GETZ: Okay. Good morning, everyone. We'll open the prehearing conference in docket DE 08-120. On October 7, 2008, Granite State Electric Company, doing business as National Grid, New Hampshire Electric Cooperative, Public Service Company of New Hampshire, and Unitil Energy Systems filed a joint proposal for CORE Energy Service Programs to be made available in calendar year 2009. The petition details the 2009 Program's performance targets and budgets for each of the utilities. It contains a proposal for the treatment of forward capacity payments made by the ISO for demand reduction effects, notes that additional funding to support expanded CORE program activities may be available through the Greenhouse Gas Emissions Reduction Fund, and proposes to extend weatherization assistance to eligible households on a fuel-blind basis. An order of notice was issued on October 9 setting the prehearing conference for today.

I'll note that we have notice of participation by the Consumer Advocate, and Petitions to Intervene from The Way Home, the Jordan Institute, the Home Builders & Remodelers Association, the Office of Energy & Planning, Wal-Mart Stores, Community Action

1 Programs, and the Department of Environmental Services.

2 Can we take appearances at this time.

3 MR. EATON: For Public Service Company
4 of New Hampshire, my name is Gerald M. Eaton. Good
5 morning.

6 CHAIRMAN GETZ: Good morning.

7 CMSR. MORRISON: Good morning.

8 CMSR. BELOW: Good morning.

9 MR. BUCK: Kendall Buck, Executive Vice
10 President of the Home Builders & Remodelers Association.

11 CHAIRMAN GETZ: Good morning.

12 CMSR. MORRISON: Good morning.

13 CMSR. BELOW: Good morning.

14 MR. DUNN: Good morning. Robert Dunn,
15 of Devine, Millimet, on behalf of New Hampshire Electric
16 Co-op.

17 CHAIRMAN GETZ: Good morning.

18 CMSR. MORRISON: Good morning.

19 CMSR. BELOW: Good morning.

20 MR. EPLER: Gary Epler, on behalf of
21 Unitil.

22 CHAIRMAN GETZ: Good morning.

23 CMSR. MORRISON: Good morning.

24 CMSR. BELOW: Good morning.

1 MS. BLACKMORE: Alexandra Blackmore, on
2 behalf of National Grid.

3 CHAIRMAN GETZ: Good morning.

4 CMSR. MORRISON: Good morning.

5 CMSR. BELOW: Good morning.

6 MR. STELTZER: Eric Steltzer, on behalf
7 of the Office of Energy & Planning.

8 CHAIRMAN GETZ: Good morning.

9 CMSR. MORRISON: Good morning.

10 CMSR. BELOW: Good morning.

11 MR. NUTE: Good morning. Dana Nute, on
12 behalf of the Community Action Agencies.

13 CHAIRMAN GETZ: Good morning.

14 CMSR. MORRISON: Good morning.

15 CMSR. BELOW: Good morning.

16 MS. MORIN: Good morning. Joanne Morin,
17 on behalf of New Hampshire Department of Environmental
18 Services.

19 CHAIRMAN GETZ: Good morning.

20 CMSR. MORRISON: Good morning.

21 CMSR. BELOW: Good morning.

22 MS. TEPPER: Good morning. Rebecca
23 Tepper, on behalf of Wal-Mart.

24 CHAIRMAN GETZ: Good morning.

1 CMSR. MORRISON: Good morning.

2 CMSR. BELOW: Good morning.

3 MR. LINDER: Good morning. Alan Linder,
4 from New Hampshire Legal Assistance, representing The Way
5 Home. And, with me this morning, next to me, from The Way
6 Home is Diann Pitts, the Director of Housing Services.

7 CHAIRMAN GETZ: Good morning.

8 CMSR. MORRISON: Good morning.

9 CMSR. BELOW: Good morning.

10 MR. HENRY: Dick Henry, from the Jordan
11 Institute.

12 CMSR. BELOW: Good morning.

13 MS. HATFIELD: Good morning,
14 Commissioners. Meredith Hatfield, for the Office of
15 Consumer Advocate, on behalf of residential ratepayers,
16 and with me is Steve Eckberg.

17 CHAIRMAN GETZ: Good morning.

18 CMSR. MORRISON: Good morning.

19 CMSR. BELOW: Good morning.

20 MS. AMIDON: Good morning. Suzanne
21 Amidon, for the Commission Staff.

22 CMSR. BELOW: Good morning.

23 CMSR. MORRISON: Good morning.

24 CHAIRMAN GETZ: Good morning. Are there

1 any objections to any of the Petitions to Intervene?

2 (No verbal response)

3 CHAIRMAN GETZ: Hearing no objections,
4 and recognizing that the petitioners have demonstrated
5 rights, duties, privileges, and other interests that may
6 be affected by the proceeding, all the Petitions to
7 Intervene are granted.

8 Any procedural issues that we need to
9 address before we hear statements of the positions of the
10 parties?

11 (No verbal response)

12 CHAIRMAN GETZ: Hearing nothing, then
13 let's begin with Mr. Eaton.

14 MR. EATON: Thank you, Mr. Chairman.
15 Public Service Company participated in development of the
16 filing that was made on October 7th. There are some
17 changes in the plans that have been submitted for next
18 year. One thing is a recognition that sales may be
19 depressed in 2009 from 2008 estimates, and, therefore, the
20 revenues available from the System Benefits Charge may not
21 be what we have had in the past. Since the last
22 proceeding, I believe the parties have reached an
23 agreement on how much funds are designated for the Home
24 Energy Assistance Program. And, this is the last year for

1 Public Service Company to still have the effects of Senate
2 Bill 228 on their -- in their budget. That was when some
3 System Benefits Charge revenue was transferred. But we're
4 going to be working with the parties and hope to come up
5 with a resolution of outstanding issues and present a
6 consensus agreement, if we can, to the Commission. Thank
7 you.

8 CHAIRMAN GETZ: Thank you. Mr. Buck.

9 MR. BUCK: Thank you, Mr. Chairman.

10 Good morning. The Home Builders & Remodelers Association
11 is pleased to be noted in the filing in terms of a party
12 or an organization that can help promote the benefits and
13 programs of the various CORE programs. We represent many,
14 many builders. We have over a thousand individuals in the
15 organization. And, we are, as an organization, promoting
16 more so, as time goes on, energy efficient building for
17 our builders and for their customers, and thus have a
18 great deal of interest in the Energy Star Program for new
19 home building, as well as for remodelers.

20 We want to work with the parties to
21 increase the awareness on the part of the consumer, as
22 well as the entire building community. So, our main
23 interest is to promote the program and, in deed, to
24 increase the program.

1 CHAIRMAN GETZ: Thank you. Mr. Dunn.

2 MR. DUNN: Thank you, Mr. Chairman. The
3 Co-op's position is as laid out in the filing. And, the
4 Co-op looks forward to working with all the parties in
5 this proceeding. Thank you.

6 CHAIRMAN GETZ: Thank you. Mr. Epler.

7 MR. EPLER: Yes, Mr. Chairman. Thank
8 you. Similar to Mr. Dunn, Unitil's position is laid out
9 in the filing, and we also look forward to working with
10 the parties.

11 CHAIRMAN GETZ: Thank you.

12 Ms. Blackmore.

13 MS. BLACKMORE: National Grid also
14 supports the CORE Program filing for 2009, and looks
15 forward to working with the parties in the proceeding.

16 CHAIRMAN GETZ: Mr. Steltzer.

17 MR. STELTZER: Yes. Eric Steltzer, with
18 the Office of Energy & Planning. We are here to represent
19 the Governor and his initiatives on striving for energy
20 efficiency for all people within the state, including
21 businesses, as well as for residents, and coming at a
22 equal level there. Our comments today will mostly be on
23 evaluation of the programs and what they can do to be
24 improved.

1 CHAIRMAN GETZ: Thank you. Mr. Nute.

2 MR. NUTE: Yes. The agencies would just
3 continue working with this, the team work here has worked
4 fine in the past, and just going forward we just look
5 forward to continuing. Thank you.

6 CHAIRMAN GETZ: Thank you. Ms. Morin.

7 MS. MORIN: Joanne Morin, DES. Yes.
8 Again, just interested in continuing the process, but a
9 special direction now with the upcoming RGGI funds
10 becoming available, and working on the coordination
11 between these activities, as well as the Energy Efficiency
12 Sustainable Energy Board, in terms of augmenting and
13 trying to make our programs the most efficient possible,
14 trying to get the most out of them for energy efficiency.

15 CHAIRMAN GETZ: Thank you. Mr. Linder.

16 MR. LINDER: Mr. Chairman and
17 Commissioners, The Way Home is pleased to again be a part
18 of the proceedings regarding energy efficiency. We have
19 reviewed the -- Our interest, of course, and our focus is
20 on the low income, and we have reviewed the portions of
21 the filing with respect to low income. And, Pages 20 and
22 21 sort of summarize, the Commission will probably note
23 that the proposed budget for the Low Income Program is
24 absolutely the highest proposed budget in the history of

1 the program, and we're very pleased with that. But, at
2 the same time, we have a concern that we're willing to
3 share, and that is, ironically, the number of homes
4 projected to be served this year is the lowest in the
5 history of the program, less than 700 homes. And, we
6 would be interested in exploring whether some more thought
7 and work can be put into increasing the number of low
8 income homes that are projected for 2009.

9 And, we look forward to working with all
10 the parties on this filing. Thank you.

11 CHAIRMAN GETZ: Thank you. Ms. Tepper.

12 MS. TEPPER: Thank you. Good morning.
13 Rebecca Tepper, on behalf of Wal-Mart. As you may recall
14 last year, we brought up issues with respect to the
15 allocation of Forward Capacity Market funds and the
16 appropriate allocation between utilities and customers.
17 We recognize that the Commission made a ruling on that
18 last year, and we don't intend to relitigate it here this
19 year. We're going to see how things go out and how
20 they're implemented. And, we're raising the issue in
21 other states as well, and we continue to be interested in
22 exploring it. But we won't be relitigating, relitigating
23 the issue you decided last year.

24 And, we wanted to specifically say that

1 we were very appreciative during the last year of the
2 ability to sit at the table with the parties over the last
3 year and having people listen to our views. And, we do
4 really appreciate all the efforts that all the utilities
5 and other parties made over the last year to include us.

6 CHAIRMAN GETZ: Thank you. Mr. Henry.

7 MR. HENRY: It's a pleasure to be here,
8 and thank you for allowing the Jordan Institute to
9 continue to participate in this process. We have a
10 particular interest in maximizing the energy efficiency in
11 buildings and looking at financial barriers, technology
12 improvements, and training opportunities, as well as
13 monitoring and verification. So, we will continue with
14 those interests as we work with the CORE efficiency
15 programs. And, I would echo what Joanne said and make
16 sure that the coordination with the other programs that
17 are taking place in the energy efficiency area get well
18 coordinated with this, so there is no duplication.

19 CHAIRMAN GETZ: Thank you. Ms.
20 Hatfield.

21 MS. HATFIELD: Thank you, Mr. Chairman.
22 I would like to echo what Ms. Tepper just said. I think
23 that the quarterly meetings over the last year among all
24 of the parties in last year's docket have been extremely

1 helpful. So, I wanted to thank the utilities for taking
2 the time to do those. I also wanted to just recognize
3 that, in response to requests last year, the utilities
4 have provided in the filing under each program description
5 the '08 budget, as well as the '09 budget, which we think
6 is very help to compare from year to year. So, I just
7 wanted to recognize that.

8 The OCA is still reviewing the filing.
9 But we think that the Commission, in its order of notice,
10 raised several important issues that we want to explore,
11 including, as has been mentioned previously, how best to
12 utilize the upcoming RGGI funds in conjunction with the
13 ratepayer funds in the CORE programs.

14 There are a few issues that I just
15 wanted to raise for the Commission at this time. One is
16 that last year you might remember, in the hearings on
17 House Bill 1561, which is the bill that created the Energy
18 Efficiency and Sustainable Energy Board, there were
19 several legislators who wanted to propose legislation to
20 change the name of the System Benefits Charge to something
21 like the "Efficiency and Assistance Charge", so that it
22 could appear on customers' bills as something that they
23 could actually recognize and understand where the money
24 goes. So, that is something that the OCA will be pursuing

1 in this docket and discussing with the utilities, in terms
2 of the logistics of that and if it's possible for them to
3 do that on their bills.

4 I think there also are several things
5 the Commission raises in the order of notice that, because
6 we have such a short amount of time in this docket, that
7 might be more appropriate to explore perhaps in a broader
8 docket that starts early in '09. I think, because these
9 dockets each year are so expedited, we often don't get to
10 some of the larger issues. And, I would include in that,
11 in the order of notice you asked whether proposed
12 monitoring and evaluation programs are adequate, I think
13 it's been a while since we looked at those. You also
14 raised whether current shareholder incentive mechanisms
15 remain appropriate, and, if my memory serves me correctly,
16 we haven't really looked at that issue since the 2003
17 docket.

18 Also, as the Commission is aware, an
19 issue came up in PSNH's Integrated Resource Planning
20 docket just this year, and the issue relates to the
21 cost-effectiveness test that is used as a screen for
22 whether efficiency measures or programs are
23 cost-effective. And, the issue really relates to whether
24 or not there should be an adder for environmental and

1 other non-quantifiable benefits in the cost-effectiveness
2 test. And, our position in the IRP docket was that that
3 was an issue that would relate to utilities other than
4 PSNH, and that there may be intervenors, such as those in
5 this case, who might have a position on that issue. So,
6 that's something that we think might be appropriate for a
7 broader docket, since we probably won't have time in the
8 next eight weeks to delve into that.

9 I think that is all I wanted to raise
10 for now. Thank you very much.

11 CHAIRMAN GETZ: Thank you. Ms. Amidon.

12 MS. AMIDON: Thank you. Staff is still
13 reviewing the filing. And, I will note that we are going
14 to be requesting an audit of the program. I know that
15 there was an audit conducted of some Community Action
16 administrative costs at one point. But the program has
17 been in place now for six or seven years, and so we are
18 going to be asking for an audit.

19 Therefore, I would have to agree with
20 Attorney Hatfield that there may be issues in this docket
21 that will need to be investigated more thoroughly, and
22 should be postponed or put into a new docket to allow for
23 an examination, for example, of the monitoring and
24 evaluation and the shareholder incentives, and other

1 issues that may come up in the audit.

2 Having said that, Staff's goal is to
3 have the parties in a place where we can go to hearing as
4 scheduled on December 11th, and approve the programs, the
5 2009 programs for the end of year, and to try to identify
6 for the Commission those outlying issues which we think
7 should be addressed in a separate proceeding.

8 CHAIRMAN GETZ: Thank you. Is there
9 anything else that we should address this morning?

10 (No verbal response)

11 CHAIRMAN GETZ: Okay. Hearing nothing,
12 then we will close the prehearing conference, and I guess
13 await a recommendation if there are any further details
14 that we need to address in advance of hearing. So, thank
15 you, everyone.

16 **(Whereupon the prehearing conference**
17 **ended at 10:25 a.m.)**

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