

APPENDIX A

PSNH'S LETTER TO COUNSEL FOR PNE

PER RULE PUC 203.09(i)(4)



August 9, 2012

Via e-mail

James T. Rodier, Esq.
1465 Woodbury Avenue, No. 303
Portsmouth, New Hampshire 03801-5918

**Re: NHPUC Docket No. DE 12-097
PNE's Responses to PSNH Data Requests**

Dear Jim:

I am writing regarding PNE's August 3, 2012, responses to PSNH's data requests in NHPUC Docket No. DE 12-097. As stated in your cover letter forwarding those responses (Atch 1), PNE has objected to question numbers 1, 2, 3, 4, 11, 12, 14, 17, 22, 26 and 37. In actuality, due to a numbering error in PNE's responses, PNE's objections relate to PSNH questions 1, 2, 3, 4, 11, 12, 14, 17, 21 (not 22), 25 (not 26) and 36 (not 37). PNE's objection for each of those questions is the same and is only set forth once in your cover letter:

A properly propounded data request may only seek information that is relevant or is reasonably calculated to lead to the discovery of admissible evidence. The Prehearing Conference Order issued by the Commission on July 3, 2012, stated, *inter alia*, that the Commission will consider on a generic basis how the costs associated with the provision of competitive supplier services by the utilities should be recovered.

Accordingly, the information that you seek in the afore-mentioned data requests with respect to PNE is irrelevant as to "how the costs associated with the provision of competitive supplier services by the utilities should be recovered."

In addition to the questions that are the subject of PNE's objections, PSNH feels that PNE's responses to question numbers. 8, 16, 18(a), 18(c), 18(d), and 32 (your 33) are inadequate.

Moreover, the responses to question numbers 9, 10, and what PNE has numbered as 28, 30, 32, and 33 refer to other responses; however, the responses referred to appear to be incorrect as they bear no relation to the questions asked or are nonsensical. For example, the response to what PNE identifies as question 1-30 has the response "See Response to Request 1-30." The same problem exists for what PNE refers to as number 32. And, PNE's responses to what it refers to as question 33 (b) and (c), are merely referrals to the "Response to Request 1-34a)," but there is no such response to Request 1-34 a). Please review PNE's responses to these questions, correct them as necessary, and resubmit PNE's responses to PSNH.

Finally, PNE has misnumbered all of its responses from question 19 on, by identifying question 18 as both number 18 and 19. PSNH would appreciate it if PNE would correctly identify the number of each question and resubmit those responses to PSNH. (Due to the confusion in numbering, copies of PSNH's original data requests are appended as Atch 2 and PNE's Responses as Atch 3 for reference.)

Pursuant to Rule Puc 203.09 (i)(4), PSNH is hereby making a good-faith effort to resolve its dispute concerning the questions objected to by PNE, as well as the Company's dissatisfaction with those questions identified by PSNH as having responses that are inadequate or nonsensical.

As you are no doubt aware, the standard for discovery in Commission proceedings is broad and extends to information that is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence. *Re Investigation into Whether Certain Calls are Local*, 86 NH PUC 167, 168 (2001). The Commission will typically allow "wide-ranging discovery" and will deny discovery requests only when it "can perceive of no circumstance in which the requested data would be relevant." *Re Lower Bartlett Water Precinct*, 85 NH PUC 371, 372 (2000). A party in a legal proceeding in New Hampshire is entitled to "be fully informed and have access to all evidence favorable to his side of the issue. This is true whether the issue is one which has been raised by him or by his opponent, and whether the evidence is in the possession of his opponent or someone else." *Scotsas v. Citizens Insurance Co.*, 109 N.H. 386, 388 (1969). *See also, Public Service Co. of New Hampshire*, Order No. 25,398 (August 7, 2012).

PSNH's questions 1, 2, 3, and 4 all seek information concerning the background, experience and expertise of PNE's witness, Mr. Fromuth. In response to your email to PSNH dated July 27, 2012 (Atch 4) wherein you first complained of discovery related to the witness's background, PSNH noted that "the Commission has held that discovery concerning the experience, expertise and credibility of a witness is relevant," and cited to *Re PSNH*, 69 NHPUC 649, 651 (1984) (Atch 5). Notwithstanding PSNH's prior citation to Commission precedent, and the fact that questions concerning the background experience, qualifications, credibility, and expertise of a witness are always relevant, you have maintained your objection to these questions on behalf of PNE and have refused to respond. PSNH urges you to reconsider your objection to these questions. Your failure to respond will ultimately impair the orderly and prompt conduct of the proceedings, as such action will result in otherwise unnecessary motions to compel and/or to strike.

PSNH's question number 11 asked PNE to "Please provide a chart showing separately the number of residential and the number of small commercial customers served by PNE in each New Hampshire utility's service area on a monthly basis, for the years 2011 and 2012 to the current date." Mr. Fromuth testified that the existence of certain charges assessed on competitive suppliers "impede the development of a competitive market for small customers..." The information requested in question number 11 is relevant to how the competitive market for small customers has developed in New Hampshire, and whether such development is indeed impeded. Hence, the information requested by PSNH question 11 is indeed relevant, and PSNH requests that PNE respond to it.

PSNH's question number 12 refers to a footnote contained in Mr. Fromuth's testimony. If PNE now feels that that footnote is not relevant to this proceeding, PSNH requests that Mr. Fromuth strike that portion of his testimony, and file an amended version of that testimony. Should Mr. Fromuth choose not to strike that portion of his testimony, then questions regarding that testimony are indeed relevant, and a response must be provided.

PSNH's question number 14 asks "Does Freedom Logistics, PNE, and/or Resident Power pay PSNH for charges covered by the Selection Charge, Billing and Payment Charge, and the Collection

Services Charge identified in your testimony? If so, please detail on a monthly basis from 2010 to present, the amounts paid by each of Freedom Logistics, PNE and Resident Power for each of these individual charges.” In his testimony at page 2, Mr. Fromuth testifies, “On April 13, 2012, PNE filed a petition with the Commission seeking an order requiring modifications to three of PSNH’s tariff provisions of which are charged to competitive suppliers. The three charges are the Selection Charge, Billing and Payment Charge, and the Collection Services Charge.” (footnote omitted). As the entire focus of PNE’s testimony relates to the Selection Charge, Billing and Payment Charge, and the Collection Services Charge, PSNH’s question regarding whether PNE actually pays any or all of those charges, and if so, to provide details concerning such payments is relevant and reasonably calculated to lead to the discovery of admissible evidence. PSNH requests that PNE respond to this question.

PSNH’s question number 17 asks, “What is the relationship between Freedom Logistics and Freedom Partners, LLC?” Over the years, there has been a string of entities using the “Freedom” moniker. One of them, Freedom Partners, was a party to Docket No. DE 99-099, *Re PSNH Proposed Restructuring Settlement*, where in Order No. 23,443, the Commission reviewed and approved the charges that are the subject of PNE’s Petition. In that Order, the Commission held, “Since these are new services that will impose additional costs on the Company, they are proper for recovery from suppliers taking the services.” 85 NHPUC at 273. Question number 17’s inquiry into the relationship between Freedom Logistics and Freedom Partners is thus relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence. PSNH requests that PNE respond to this question.

PSNH’s question number 21 asks, “Please provide a chart showing the uncollectible rate by customer class for each of Freedom Logistics, PNE, and Resident Power by month for 2010 to the present.” One of the issues in this docket is whether implementation of a “purchase of receivables” program should be implemented in New Hampshire. PNE also raised the issue of such a purchase of receivable program in its Petition, at paragraphs 7 and 8. Furthermore, in his testimony, Mr. Fromuth states, “The Commission opened this proceeding to investigate the merits of instituting purchase of receivables, customer referral, and interface programs, and other retail market enhancements.” Hence, PSNH’s question 21 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence. PSNH requests that PNE respond to this question.

PSNH’s question number 25 asks, “Has Freedom Logistics, PNE, or Resident Power determined what the cost would be to perform their own collection activities? If so, for each of those entities, what was the expected cost to perform that function on a percentage of total monthly receivable dollars basis? If not, why not?” PNE’s Petition and Mr. Fromuth’s testimony both complain about PSNH’s tariffed “Collection Services Charge.” In his testimony, Mr. Fromuth testified that the Collection Services Charge, amongst other charges, “impede[s] the development of a competitive market for small customers... .” The information sought in question 25 is whether PNE has investigated what it would cost to perform its own collection activities; if so, what it would cost; and, if not, why not. This information is indeed relevant to the allegation that PSNH’s existing Collection Services Charge is impeding the development of a competitive market for small customers. PSNH requests that PNE respond to this question.

PSNH’s question number 36 asks, “Does Freedom Logistics, PNE, Resident Power or any affiliated entity provide energy service to any retail customers in the state of Maine? If so, please provide the number of such customers, including the name of each distribution utility that provides delivery service to such customers.” In his testimony, Mr. Fromuth states, “Freedom Logistics is a licensed competitive supplier in Maine... ” and “Freedom Logistics is also [sic] licensed competitive supplier in Maine.” In its Petition, PNE states “No other utility in New England charges a fee for ‘Billing and

Payment Services.” PNE’s Petition also states “No other utility in New England charges a fee for ‘Collection Services.’” PNE has raised the issue of what charges are or are not assessed in other New England states. PSNH, in its Motion to Dismiss PNE’s Petition, noted that the Maine PUC’s regulations at Code Me. R. 65 407 322 § 3 (2002) require that state’s transmission and distribution utilities to “charge a competitive electricity provider the utility’s incremental cost of providing basic bill issuance, bill calculation, and collections... .” Hence, PSNH’s question 36 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence. PSNH requests that PNE respond to this question.

As noted, there are several questions that PNE did not object to, but which PSNH feels that the responses provided by PNE are inadequate.

In question 8, PSNH asks, “Paragraph 11 of PNE’s Petition alleges ‘there are at least three charges assessed by PSNH to competitive suppliers, such as Power New England, that are completely out-of-line with the comparable charges assessed by other New England utilities... .’ Please provide a table listing all ‘other New England utilities’ detailing the ‘comparable charges assessed by’ each such utility.” PNE’s response to this question was “No such table has been prepared by PNE.” This answer is not responsive to the question. In its Petition, PNE has stated, “No other utility in New England charges a fee for ‘Billing and Payment Services’”; “No other utility in New England charges a fee for ‘Collection Services’”; and, “No other utility in New Hampshire imposes a ‘Selection Charge.’” Mr. Fromuth testifies that PSNH’s Selection Charge, Billing and Payment Charge, and the Collection Services Charge “are completely out-of-line with the comparable charges assessed by other New England utilities.” PSNH’s question asks for PNE to supply the information that forms the basis of Mr. Fromuth’s testimony. PSNH will accept a listing of all “other New England utilities” detailing the “comparable charges assessed by” each such utility in any form, whether tabular, spreadsheet, listing, or any other format that PNE or Mr. Fromuth may have. However, question 8 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence and PSNH requests that PNE fully respond to this question.

PSNH question 16 asks, “On p. 3 of your prefiled testimony you testify that ‘within the past year’ there has been a ‘relatively large increase in the enrollment by competitive suppliers of residential and small commercial customers... .’ Please explain and quantify what you mean by this statement.” PNE’s response to this question was “The statement speaks for itself and needs no further explanation. Moreover, PSNH has access to this data.” PNE has repeatedly alleged that certain charges in PSNH’s tariff are impeding the development of a competitive market for small customers. In his testimony, Mr. Fromuth testifies that “‘within the past year’ there has been a ‘relatively large increase in the enrollment by competitive suppliers of residential and small commercial customers... .’” PNE’s position in its testimony appears to be self-contradictory. PSNH is seeking information from PNE to quantify what it means when Mr. Fromuth testified that there has been a “relatively large increase in enrollment.” Moreover, PSNH is not the only utility in New Hampshire, and therefore cannot be attributed with having “access to this data.” Question 16 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence and PSNH requests that PNE fully respond to this question.

PSNH question 18 asks, “On page 3 of your prefiled testimony, you state, “Although the \$5.00 charge may sound small, it is a very large percentage of the first month’s profit for a small customer.”

- a) Please quantify “the first month’s profit for a small customer.”
- b) What is the typical contract length for a small customer?
- c) What is the average profit per month for a small customer?
- d) Please provide all documents, reports, studies and analyses supporting this response.

PNE's response to subparts a), c), and d) of question 18 was, "If hypothetically the profit margin is 1 cent per kwh and the customer uses 500 kwh per month, then the monthly profit would be \$5.00." PSNH did not ask for a hypothetical mathematics statement, which is what PNE provided. PSNH's question inquires specifically about PNE's testimony that \$5.00 is a very large percentage of the first month's profit for a small customer. PSNH's specific request was for PNE to quantify "the first month's profit for a small customer." That request is directly and specifically related to Mr. Fromuth's testimony and the subject of PNE's Petition, as are the questions contained in subparts c) and d). Question 18 in its entirety is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence and PSNH requests that PNE fully respond to this question.

Finally, in question 32, PSNH asks, "If the Commission decided to require PSNH to recover any costs of the services in question through base rates:

- a) How would customers who purchase energy service from PSNH be impacted?
- b) What additional benefit would customers who purchase energy service from PSNH receive?
- c) Wouldn't such assessment of costs to customer who purchase energy service from PSNH amount to a mandatory and unavoidable tax that solely benefits competitive suppliers?"

PNE's response to subpart a) of question 32 was "Additional migration by small customers to the competitive market will force PSNH to take a write-down on the Scrubber costs it seeks to recover through Rate DE. Accordingly, customers who purchase energy service from PSNH may not be impacted at all. See 2011 NU Form 10K at p.18. (http://www.nu.com/investors/reports/2011_NU_Form_10K.pdf)" The responses to subparts b) and c) were the nonsensical "See Response to Request 1-34 a)" - - neither PSNH's question 34 nor PNE's incorrectly numbered question 34 has a subpart a).

PNE's response fails to answer the question asked. The reference to NU's SEC Form 10-K is not at all responsive, nor does the 10-K state that migration by small customers to the competitive market will force PSNH to take a write-down on the Scrubber costs. Even if it did, PNE's response is not responsive to PSNH's question.

PNE's Petition and testimony both assert that the changes sought would benefit customers. PSNH's question 32 inquires into this assertion. PNE's answer to subpart a) and its nonsensical responses to subparts b) and c) are inadequate. Question 32 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence and PSNH requests that PNE fully respond to this question.

PSNH requests that PNE correct its responses to the data requests, and provide full, accurate and complete answers are required by Commission rules and precedent. As any motion to compel must be made within 15 business days of receiving the applicable response or objection (Rule Puc 203.09 (i)(2)), PSNH requests that you respond not later than August 15, 2012.

Very truly yours,



Robert A. Bersak
Assistant Secretary and
Associate General Counsel

Attachments

cc: Discovery Service List

Attachment 1

Cover Letter from Attorney Rodier
August 3, 2012

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Admitted in NH & MA

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August 3, 2012

Robert A. Bersak
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Public Service Company of New Hampshire
P. O. Box 330
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Docket No. DE No. 12-097

Responses to PSNH's Data Requests to PNE – Set #1

Dear Bob:

Please find attached PNE's Responses to PSNH data requests (Set #1).

PNE has objected to the following data requests: Nos. 1, 2, 3, 4, 11, 12, 14, 17, 22, 26 and 37. A properly propounded data request may only seek information that is relevant or is reasonably calculated to lead to the discovery of admissible evidence. The Prehearing Conference Order issued by the Commission on July 3, 2012 stated, *inter alia*, that the Commission will consider on a generic basis how the costs associated with the provision of competitive supplier services by the utilities should be recovered.

Accordingly, the information that you seek in the afore-mentioned data requests with respect to PNE is irrelevant as to "how the costs associated with the provision of competitive supplier services by the utilities should be recovered."

Please feel free to call me to discuss.

Sincerely,

/s/ James T. Rodier

Attachment 2

PSNH's Data Requests to PNE – Set #1

DE 12-097

Investigation into Purchase of Receivables, Customer Referral and Electronic Interface for Electric and Gas Distribution Utilities

PSNH's Data Requests to PNE – Set #1

- 1-1 Has Mr. Fromuth previously testified before any board, agency, court, legislative body or committee, or the like? If so, please identify the forum, the date, the subject matter, and provide a short description of Mr. Fromuth's testimony.
- 1-2 Please provide a listing of the officers, directors, members and managers for Freedom Logistics, PNE, and Resident Power.
- 1-3 What were Mr. Fromuth's duties and areas of concentration as a Commerce Department Deputy Assistant Secretary?
- 1-4 When did Mr. Fromuth become Managing Director of a) Freedom Logistics, b) PNE, and c) Resident Power?
- 1-5 Please describe the research that was performed to substantiate your testimony that utilities in New Hampshire other than PSNH "do not levy charges on competitive suppliers.
- 1-6 Paragraph 16 of PNE's Petition dated April 12, 2012 (but filed April 13, 2012) states "No other utility in New England charges a fee for 'Billing and Payment Services.'" Please describe the research that was performed to substantiate that statement.
- 1-7 Paragraph 2 of PNE's Petition states, "PSNH's large customers have left PSNH for competitive electricity suppliers at a very high rate in order to avail themselves of substantial savings versus PSNH's default energy service rate."
 - a) Please quantify the "very high rate" that is referred to in this allegation.
 - b) Please quantify the "substantial savings versus PSNH's default energy service rate" referred to in this allegation.
- 1-8 Paragraph 11 of PNE's Petition alleges "there are at least three charges assessed by PSNH to competitive suppliers, such as Power New England, that are completely out-of-line with the comparable charges assessed by other New England utilities... ." Please provide a table listing all "other New England utilities" detailing the "comparable charges assessed by" each such utility.
- 1-9 Paragraph 16 of PNE's Petition dated April 12, 2012 ("Petition"), states "No other utility in New England charges a fee for 'Billing and Payment Services.'" Please

describe and provide copies of the research that was performed to substantiate that statement.

- 1-10 Paragraph 18 of PNE’s Petition dated April 12, 2012 (“Petition”), states “No other utility in New England charges a fee for ‘Collection Services.’” Please describe and provide copies of the research that was performed to substantiate that statement.
- 1-11 You testified on p. 1 of your pre-filed testimony that “PNE serves a relatively large number of residential and small commercial customers in PSNH’s territory.” Please provide a chart showing separately the number of residential and the number of small commercial customers served by PNE in each New Hampshire utility’s service area on a monthly basis, for the years 2011 and 2012 to the current date.
- 1-12 You premise footnote 1 of your testimony by stating, “In customary fashion....”
- a) Please detail what your implication is in that footnote.
 - b) Please provide references to all occasions upon which you base your testimony that PSNH’s response was done “in customary fashion.
- 1-13 You testified on p. 2 of your pre-filed testimony that “the Selection Charge, Billing and Payment Charge, and the Collection Services Charge” in PSNH’s tariff “impede the development of a competitive market for small customers....”
- a) Please provide the basis for this statement.
 - b) Were any studies prepared to determine the impact, if any, of these charges on development of a competitive market for small customers? If so, please provide copies of all such studies.
 - c) Were any experts engaged to provide an opinion regarding the impact, if any, of these charges on development of a competitive market for small customers? If so, please identify all such experts and provide copies of all communications with such experts
- 1-14 Does Freedom Logistics, PNE, and/or Resident Power pay PSNH for charges covered by the Selection Charge, Billing and Payment Charge, and the Collection Services Charge identified in your testimony? If so, please detail on a monthly basis from 2010 to present, the amounts paid by each of Freedom Logistics, PNE and Resident Power for each of these individual charges.
- 1-15 Are you requesting that the Commission order changes to charges contained in PSNH’s Terms and Conditions for Energy Service Providers that are contained in its Electricity Delivery Service Tariff – NHPUC No. 8?
- 1-16 On p. 3 of your prefiled testimony you testify that “within the past year” there has been a “relatively large increase in the enrollment by competitive suppliers of residential and small commercial customers...” Please explain and quantify what you mean by this statement.

- 1-17 What is the relationship between Freedom Logistics and Freedom Partners, LLC?
- 1-18 On page 3 of your prefiled testimony, you state, “Although the \$5.00 charge may sound small, it is a very large percentage of the first month’s profit for a small customer.”
- Please quantify “the first month’s profit for a small customer.”
 - What is the typical contract length for a small customer?
 - What is the average profit per month for a small customer?
 - Please provide all documents, reports, studies and analyses supporting this response.
- 1-19 On page 3 of your prefiled testimony, you state, “The billing and payment process is fully automated and there is no manual intervention by any PSNH employee.”
- Have you ever worked for PSNH?
 - Who did you contact at PSNH to verify this statement?
 - What processes are used at PSNH for the collection and remittance of amounts owed to competitive suppliers?
- 1-20 On page 3 of your prefiled testimony, you state, “The services provided by PSNH are very similar to, and performed in conjunction with, collection activities employed by PSNH for its own active and inactive delinquent accounts.” Is it your testimony that this service should be provided to competitive suppliers by PSNH at no cost?
- 1-21 Please provide a chart showing the uncollectible rate by customer class for each of Freedom Logistics, PNE, and Resident Power by month for 2010 to the present.
- 1-22 In general, do businesses incur costs to bill their customers?
- 1-23 In general, do businesses incur costs to collect amounts unpaid by their customers?
- 1-24 What is the average per customer cost to each of Freedom Logistics, PNE, and Resident Power to acquire a customer? Please provide a breakdown of the figures for each entity into its component parts.
- 1-25 Has Freedom Logistics, PNE, or Resident Power determined what the cost would be to perform their own collection activities? If so, for each of those entities, what was the expected cost to perform that function on a percentage of total monthly receivable dollars basis? If not, why not?
- 1-26 Discussing the services in question, the Commission has previously held that “Since these are new services that will impose additional costs on the Company, they are proper for recovery from suppliers taking the services.” 85 NHPUC at

273. What evidence does Freedom Logistics, PNE, or Resident Power have that PSNH no longer bears additional costs for the services in question? Please provide all documents, reports, studies supporting this response.
- 1-27 On p. 4 of your prefiled testimony, you state, “the incremental costs incurred by PSNH in performing the foregoing automated services are very low, and possibly zero.” Do you know what costs are incurred by PSNH to perform the services in question? If yes, please provide a listing of such costs.
- 1-28 On p. 4 of your prefiled testimony, you state, “the incremental costs incurred by PSNH in performing the foregoing automated services are very low, and possibly zero.” You continue be testifying that “This conclusion is supported by the fact that similar charges are not levied by PSNH’s affiliates CL&P, WMECO and NSTAR.” Do any of these utilities have costs related to the services in question included in their delivery rates? Please provide documentation and references supporting your response.
- 1-29 On p. 4 of your prefiled testimony, you state, “the incremental costs incurred by PSNH in performing the foregoing automated services are very low, and possibly zero. This conclusion is supported by the fact that similar charges are not levied by PSNH’s affiliates CL&P, WMECO and NSTAR.” You continue be testifying that “They are also not levied by either Unitil or Liberty Utilities.” Do any of these utilities have costs related to the services in question included in their delivery rates? Please provide documentation and references supporting your response.
- 1-30 On p. 4 of your prefiled testimony, you state, “Even if the incremental costs incurred by PSNH were not zero, the Commission may require PSNH to recover such costs through base rates...” Is it your testimony that the Commission should change PSNH’s distribution (base) rates in this proceeding?
- 1-31 Does the Commission have the authority to change PSNH’s distribution rates as part of this proceeding?
- 1-32 If the Commission decided to require PSNH to recover any costs of the services in question through base rates:
- a) How would customers who purchase energy service from PSNH be impacted?
 - b) What additional benefit would customers who purchase energy service from PSNH receive?
 - c) Wouldn’t such assessment of costs to customer who purchase energy service from PSNH amount to a mandatory and unavoidable tax that solely benefits competitive suppliers?
- 1-33 On p. 4 of your prefiled testimony, you state, “It would seem that NU management, with approximately 500,000 of CL&P’s residential customers being served by competitive suppliers, does not see a need for CL&P to bill competitive

suppliers for the services addressed herein, then PSNH should not be doing it either.” Is it your testimony that the New Hampshire Public Utilities Commission should be bound by everything that Connecticut’s Public Utility Regulatory Authority decides is appropriate for CL&P?

- 1-34 On p. 4 of your prefiled testimony, you state, “In the PUC’s consideration of ways to enhance participation in the retail market for smaller customers, elimination of PSNH’s charges for Energy Service Providers would most likely be a good place to start.” What do you mean by “most likely”?
- 1-35 Is it your position that the services provided by PSNH which are the subject of this testimony have zero value to suppliers?
- 1-36 Does Freedom Logistics, PNE, Resident Power or any affiliated entity provide energy service to any retail customers in the state of Maine? If so, please provide the number of such customers, including the name of each distribution utility that provides delivery service to such customers.
- 1-37 Does FEL, PNE or Resident Power have a position regarding whether the Commission should mandate implementation of a purchase of receivables program by the state’s electric utilities? If so, please provide and explain any such position in detail.
- 1-38 Does FEL have a position regarding whether a mandated purchase of receivables program would impact electricity rates? If so, please explain any such position in detail.

Attachment 3

PNE Responses to PSNH's Data Requests to PNE – Set #1

Investigation into Purchase of Receivables, Customer Referral and Electronic Interface for Electric and Gas Distribution Utilities

PNE Responses to PSNH's Data Requests to PNE – Set #1

- 1-1 Has Mr. Fromuth previously testified before any board, agency, court, legislative body or committee, or the like? If so, please identify the forum, the date, the subject matter, and provide a short description of Mr. Fromuth's testimony.

Objection

- 1-2 Please provide a listing of the officers, directors, members and managers for Freedom Logistics, PNE, and Resident Power.

Objection

- 1-3 What were Mr. Fromuth's duties and areas of concentration as a Commerce Department Deputy Assistant Secretary?

Objection

- 1-4 When did Mr. Fromuth become Managing Director of a) Freedom Logistics, b) PNE, and c) Resident Power?

Objection

- 1-5 Please describe the research that was performed to substantiate your testimony that utilities in New Hampshire other than PSNH "do not levy charges on competitive suppliers.

PNE reviewed the currently effective tariffs for Unitil, Liberty, and NHEC.

- 1-6 Paragraph 16 of PNE's Petition dated April 12, 2012 (but filed April 13, 2012) states "No other utility in New England charges a fee for 'Billing and Payment Services.'" Please describe the research that was performed to substantiate that statement.

PNE reviewed the currently effective tariffs for those utilities. PNE also took note that PSNH in its Objection did not dispute the assertion in PNE's Petition with the exception of CMP.

- 1-7 Paragraph 2 of PNE’s Petition states, “PSNH's large customers have left PSNH for competitive electricity suppliers at a very high rate in order to avail themselves of substantial savings versus PSNH's default energy service rate.”
a) Please quantify the “very high rate” that is referred to in this allegation.

The migration of 100 of the 110 Rate LG customers would seem to qualify as a “very high rate.”

- b) Please quantify the “substantial savings versus PSNH's default energy service rate” referred to in this allegation.

At least 1.5 cents per kwh.

- 1-8 Paragraph 11 of PNE’s Petition alleges “there are at least three charges assessed by PSNH to competitive suppliers, such as Power New England, that are completely out-of-line with the comparable charges assessed by other New England utilities... .” Please provide a table listing all “other New England utilities” detailing the “comparable charges assessed by” each such utility.

No such table has been prepared by PNE.

- 1-9 Paragraph 16 of PNE’s Petition dated April 12, 2012 (“Petition”), states “No other utility in New England charges a fee for ‘Billing and Payment Services.’” Please describe and provide copies of the research that was performed to substantiate that statement.

See Response to 1-7. No copies exist.

- 1-10 Paragraph 18 of PNE’s Petition dated April 12, 2012 (“Petition”), states “No other utility in New England charges a fee for ‘Collection Services.’” Please describe and provide copies of the research that was performed to substantiate that statement.

See Response to 1-7. No copies exist.

- 1-11 You testified on p. 1 of your pre-filed testimony that “PNE serves a relatively large number of residential and small commercial customers in PSNH’s territory.” Please provide a chart showing separately the number of residential and the number of small commercial customers served by PNE in each New Hampshire utility’s service area on a monthly basis, for the years 2011 and 2012 to the current date.

Objection.

- 1-12 You premise footnote 1 of your testimony by stating, “In customary fashion...”
- a) Please detail what your implication is in that footnote.

Objection.

- b) Please provide references to all occasions upon which you base your testimony that PSNH’s response was done “in customary fashion.

Objection.

- 1-13 You testified on p. 2 of your pre-filed testimony that “the Selection Charge, Billing and Payment Charge, and the Collection Services Charge” in PSNH’s tariff “impede the development of a competitive market for small customers...”

- a) Please provide the basis for this statement.

Any cost incurred by a competitive supplier tends to reduce or eliminate any potential savings for small customers.

- b) Were any studies prepared to determine the impact, if any, of these charges on development of a competitive market for small customers? If so, please provide copies of all such studies.

No such study was conducted because it was unnecessary.

- c) Were any experts engaged to provide an opinion regarding the impact, if any, of these charges on development of a competitive market for small customers? If so, please identify all such experts and provide copies of all communications with such experts.

No experts were engaged to study this matter. The real experts are the ones out on the front line trying to sell electricity every day.

- 1-14 Does Freedom Logistics, PNE, and/or Resident Power pay PSNH for charges covered by the Selection Charge, Billing and Payment Charge, and the Collection Services Charge identified in your testimony? If so, please detail on a monthly basis from 2010 to present, the amounts paid by each of Freedom Logistics, PNE and Resident Power for each of these individual charges.

Objection.

- 1-15 Are you requesting that the Commission order changes to charges contained in PSNH’s Terms and Conditions for Energy Service Providers that are contained in its Electricity Delivery Service Tariff – NHPUC No. 8?

Yes, as soon as possible.

- 1-16 On p. 3 of your prefiled testimony you testify that “within the past year” there has been a “relatively large increase in the enrollment by competitive suppliers of residential and small commercial customers...” Please explain and quantify what you mean by this statement.

The statement speaks for itself and needs no further explanation. Moreover, PSNH has access to this data.

- 1-17 What is the relationship between Freedom Logistics and Freedom Partners, LLC?

Objection. However, Freedom Partners, LLC no longer exists.

- 1-18 On page 3 of your prefiled testimony, you state, “Although the \$5.00 charge may sound small, it is a very large percentage of the first month’s profit for a small customer.”

- 1-19 a) Please quantify “the first month’s profit for a small customer.”

If hypothetically the profit margin is 1 cent per kwh and the customer uses 500 kwh per month, then the monthly profit would be \$5.00.

- b) What is the typical contract length for a small customer?

One year with an “evergreen” clause

- c) What is the average profit per month for a small customer?

See response to a) above.

- d) Please provide all documents, reports, studies and analyses supporting this response.

There are none.

- 1-20 On page 3 of your prefiled testimony, you state, “The billing and payment process is fully automated and there is no manual intervention by any PSNH employee.”

- a) Have you ever worked for PSNH?

No.

- b) Who did you contact at PSNH to verify this statement?

Nobody.

- c) What processes are used at PSNH for the collection and remittance of amounts owed to competitive suppliers?

PNE has assumed that PSNH has a fully automated billing system like other major utilities. PNE expects that PSNH will file its testimony in this proceeding on or before September 10. PNE will propound a series of data requests to PSNH on this matter.

- 1-21 On page 3 of your prefiled testimony, you state, “The services provided by PSNH are very similar to, and performed in conjunction with, collection activities employed by PSNH for its own active and inactive delinquent accounts.” Is it your testimony that this service should be provided to competitive suppliers by PSNH at no cost?

Yes. The costs, to the extent they exist, should otherwise be recovered in a manner authorized by the Commission

- 1-22 Please provide a chart showing the uncollectible rate by customer class for each of Freedom Logistics, PNE, and Resident Power by month for 2010 to the present.

Objection.

- 1-23 In general, do businesses incur costs to bill their customers?

Yes.

- 1-24 In general, do businesses incur costs to collect amounts unpaid by their customers?

Yes.

- 1-25 What is the average per customer cost to each of Freedom Logistics, PNE, and Resident Power to acquire a customer? Please provide a breakdown of the figures for each entity into its component parts.

Objection.

- 1-26 Has Freedom Logistics, PNE, or Resident Power determined what the cost would be to perform their own collection activities? If so, for each of those entities, what was the expected cost to perform that function on a percentage of total monthly receivable dollars basis? If not, why not?

Objection.

- 1-27 Discussing the services in question, the Commission has previously held that “Since these are new services that will impose additional costs on the Company,

they are proper for recovery from suppliers taking the services.” 85 NHPUC at 273. What evidence does Freedom Logistics, PNE, or Resident Power have that PSNH no longer bears additional costs for the services in question? Please provide all documents, reports, studies supporting this response.

PNE has not contended that “PSNH no longer bears additional costs for the services in question.” The only issue in this proceeding is, if the costs exist, how they should be collected by the utilities.

- 1-28 On p. 4 of your prefiled testimony, you state, “the incremental costs incurred by PSNH in performing the foregoing automated services are very low, and possibly zero.” Do you know what costs are incurred by PSNH to perform the services in question? If yes, please provide a listing of such costs.

See Response to Request 1-21c).

- 1-29 On p. 4 of your prefiled testimony, you state, “the incremental costs incurred by PSNH in performing the foregoing automated services are very low, and possibly zero.” You continue be testifying that “This conclusion is supported by the fact that similar charges are not levied by PSNH’s affiliates CL&P, WMECO and NSTAR.” Do any of these utilities have costs related to the services in question included in their delivery rates? Please provide documentation and references supporting your response.

These costs are presumably recovered through the delivery rates.

- 1-30 On p. 4 of your prefiled testimony, you state, “the incremental costs incurred by PSNH in performing the foregoing automated services are very low, and possibly zero. This conclusion is supported by the fact that similar charges are not levied by PSNH’s affiliates CL&P, WMECO and NSTAR.” You continue be testifying that “They are also not levied by either Unitil or Liberty Utilities.” Do any of these utilities have costs related to the services in question included in their delivery rates? Please provide documentation and references supporting your response.

See Response to Request 1-30.

- 1-31 On p. 4 of your prefiled testimony, you state, “Even if the incremental costs incurred by PSNH were not zero, the Commission may require PSNH to recover such costs through base rates...” Is it your testimony that the Commission should change PSNH’s distribution (base) rates in this proceeding?

No. The PSNH and the other parties have agreed that this is a generic proceeding and that no rates will be adjusted in this proceeding.

1-32 Does the Commission have the authority to change PSNH's distribution rates as part of this proceeding?

See Response to Request 1-32.

1-33 If the Commission decided to require PSNH to recover any costs of the services in question through base rates:

a) How would customers who purchase energy service from PSNH be impacted?

Additional migration by small customers to the competitive market will force PSNH to take a write-down on the Scrubber costs it seeks to recover through Rate DE. Accordingly, customers who purchase energy service from PSNH may not be impacted at all. See 2011 NU Form 10K at p.18. ([http://www.nu.com/investors/reports/2011 NU Form 10K.pdf](http://www.nu.com/investors/reports/2011_NU_Form_10K.pdf))

b) What additional benefit would customers who purchase energy service from PSNH receive?

See Response to Request 1-34 a)

c) Wouldn't such assessment of costs to customer who purchase energy service from PSNH amount to a mandatory and unavoidable tax that solely benefits competitive suppliers?

See Response to Request 1-34 a)

1-34 On p. 4 of your prefiled testimony, you state, "It would seem that NU management, with approximately 500,000 of CL&P's residential customers being served by competitive suppliers, does not see a need for CL&P to bill competitive suppliers for the services addressed herein, then PSNH should not be doing it either." Is it your testimony that the New Hampshire Public Utilities Commission should be bound by everything that Connecticut's Public Utility Regulatory Authority decides is appropriate for CL&P?

No.

1-35 On p. 4 of your prefiled testimony, you state, "In the PUC's consideration of ways to enhance participation in the retail market for smaller customers, elimination of PSNH's charges for Energy Service Providers would most likely be a good place to start." What do you mean by "most likely"?

PNE believes that the Commission should start with the low hanging fruit and then move on to more complex matters.

1-36 Is it your position that the services provided by PSNH which are the subject of this testimony have zero value to suppliers?

No.

1-37 Does Freedom Logistics, PNE, Resident Power or any affiliated entity provide energy service to any retail customers in the state of Maine? If so, please provide the number of such customers, including the name of each distribution utility that provides delivery service to such customers.

Objection.

1-38 Does FEL, PNE or Resident Power have a position regarding whether the Commission should mandate implementation of a purchase of receivables program by the state's electric utilities? If so, please provide and explain any such position in detail.

Not at this time.

1-39 Does FEL have a position regarding whether a mandated purchase of receivables program would impact electricity rates? If so, please explain any such position in detail.

Not at this time.

Attachment 4

Attorney Rodier email to PSNH
July 27, 2012



Re: NHPUC Docket No. DE 12-097 -- Data Requests

From: **Jim Rodier**

07/27/2012 03:17 PM

To: Robert A. Bersak, Stephen R. Hall

Please respond to "Jim Rodier" <jrodier@mbtu-co2.com>

History: This message has been replied to.

Are you serious or are you looking for trouble? This is vexatious and an abuse of discovery. Jim Rodier

e.g, 1-1 What were Mr. Fromuth's duties and areas of concentration as a Commerce Department Deputy Assistant Secretary?

From: robert.bersak@nu.com

Sent: Friday, July 27, 2012 3:03 PM

To: Patch, Douglas L. ; jrodier@mbtu-co2.com

Cc: discovery@puc.nh.gov ; amanda.noonan@puc.nh.gov ; anderson@nhec.com ; christina.martin@oca.nh.gov ; christyl.nhgas@myfairpoint.net ; collin@unitil.com ; donna.l.mcfarland@oca.nh.gov ; elizabeth.gray@psnh.com ; epler@unitil.com ; erin_odea@transcanada.com ; gantz@unitil.com ; george.mccluskey@puc.nh.gov ; inmanb@nhec.com ; jarvis@unitil.com ; jmclark@vectren.com ; jmiranda@rc.com ; jody.carmody@puc.nh.gov ; kaminski@nhec.com ; kzink@berkshiregas.com ; manypennyh@nhec.com ; markdean@markdeanpllc.comcastbiz.net ; palma@unitil.com ; rmunnely@murthalaw.com ; robert.bersak@psnh.com ; rorie.e.p.hollenberg@oca.nh.gov ; sarah.knowlton@libertyutilities.com ; stephen.r.eckberg@oca.nh.gov ; steve.mullen@puc.nh.gov ; suzanne.amidon@puc.nh.gov ; tom.frantz@puc.nh.gov ; amanda.noonan@puc.nh.gov

Subject: NHPUC Docket No. DE 12-097 -- Data Requests

Attached please find data requests of PSNH regarding the pre-filed testimony of PNE and RESA.

BOB

ROBERT A. BERSAK

Assistant Secretary & Associate General Counsel

Northeast Utilities Service Co.

780 N. Commercial Street

P. O. Box 330

Manchester, New Hampshire 03105-0330

603-634-3355 | Fax 603-634-2438

Robert.Bersak@NU.com

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Attachment 5

PSNH response to Attorney Rodier email
July 27, 2012



Jim:

Regarding your question, "**Are you serious or are you looking for trouble?**" The answer is yes and no - - yes, we are serious; no, we are not looking for trouble.

Regarding your statement that, "**This is vexatious and an abuse of discovery.**" I do not believe our question is either vexatious or an abuse of discovery. I believe it is a perfectly legitimate question arising from Mr. Fromuth's pre-filed testimony.

In that testimony, he states, "Mr. Fromuth served for seven years in Washington in the Reagan Administration's Commerce Department as a Deputy Assistant Secretary." We asked, "What were Mr. Fromuth's duties and areas of concentration as a Commerce Department Deputy Assistant Secretary?"

The Commerce Department is a wide-ranging agency, with areas of jurisdiction ranging from the national weather service to telecommunications. There are nearly 20 deputy assistant secretaries at the Commerce Department; their duties, and expertise, would vary.

It is a simple, direct, and relevant question - - one that I am surprised has led to your email.

FYI -- the Commission has held that discovery concerning the experience, expertise and credibility of a witness is relevant. *Re PSNH*, 69 NHPUC 649, 651 (1984).

If you have concerns about any of the other questions, please let me know.

BOB

ROBERT A. BERSAK

Assistant Secretary & Associate General Counsel

Northeast Utilities Service Co.

780 N. Commercial Street

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603-634-3355 | Fax 603-634-2438

Robert.Bersak@NU.com

"Jim Rodier"

Are you serious or are you looking for troubl...

07/27/2012 03:17:51 PM

From: "Jim Rodier" <jrodier@mbtu-co2.com>
To: Robert A. Bersak/NUS@NU, Stephen R. Hall/NUS@NU
Date: 07/27/2012 03:17 PM
Subject: Re: NHPUC Docket No. DE 12-097 -- Data Requests

Are you serious or are you looking for trouble? This is vexatious and an abuse of discovery. Jim Rodier

APENDIX B

AFFIDAVIT OF MR. STEPHEN R. HALL

APPENDIX C

PNE Supplemental Reply to PSNH letter dated August 9, 2012

August 15, 2012

James T. Rodier, Esq.
Attorney-at-Law
1465 Woodbury Ave., No. 303
Portsmouth, NH 03801-5918

Admitted in NH & MA

603-559-9987
jtrodier@mbtu-co2.com

August 15, 2012

Robert A. Bersak
Assistant Secretary
and Associate General Counsel
Public Service Company of New Hampshire
P. O. Box 330
Manchester, NH 03105-0330

Docket No. DE No. 12-097

PNE Supplemental Reply to PSNH letter dated August 9, 2012

Dear Bob:

I am responding to your letter dated August 9 in this matter. I have attached hereto PNE's initial renumbered Responses to RSNH's Requests which I sent to you on August 10 for ease of reference.

As I have previously noted, with respect to the services rendered by PSNH to competitive suppliers, the only issue in this proceeding is, if the costs exist, how they should be collected by the utilities. In your letter dated April 9, you contend that "questions concerning the background experience, qualifications, credibility, and expertise of a witness are always relevant." However, evidence is only relevant if:

- (a) it has any tendency to make a fact more or less probable than it would be without the evidence; and
- (b) the fact is of consequence in determining the action.

Additionally, "the trial court has discretion to determine the limits of discovery." *Scarborough v. R.T.P. Enterprises, Inc.*, 120 N.H. 707, 711, 422 A.2d 1304 (1980). With respect to discovery issues, the Commission relies upon Superior Court rules for guidance. Superior Court Rule 36.g. provides that "[u]pon motion by a party or by the person from whom discovery is sought, and for good cause shown, the Court may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense."

In this respect, I would remind you of the following characterization of PSNH's discovery methods which PNE concurs with:

... the Public Utilities Commission is a public forum in which interested parties have a right to participate and be heard. If intervention in a proceeding of this nature is allowed to be used as a basis to open competitive suppliers to such invasive discovery, the result will be that the already meager level of supplier participation in Commission proceedings is likely to drop to zero.

PSNH's tactics in this proceeding have been frequently been designed to attempt to ensure that Constellation will limit or cease its intervention in proceedings at the Commission.¹

PNE's Responses to PSNH's Requests 1, 2, 3, and 4

PSNH's questions 1, 2, 3, and 4 all seek information concerning the background, experience and expertise of PNE's witness, Mr. Fromuth. In response to your email to PSNH dated July 27, 2012 (Atch 4) wherein you first complained of discovery related to the witness's background, PSNH noted that "the Commission has held that discovery concerning the experience, expertise and credibility of a witness is relevant," and cited to *Re PSNH*, 69 NHPUC 649, 651 (1984) (Atch 5). Notwithstanding PSNH's prior citation to Commission precedent, and the fact that questions concerning the background experience, qualifications, credibility, and expertise of a witness are always relevant, you have maintained your objection to these questions on behalf of PNE and have refused to respond. PSNH urges you to reconsider your objection to these questions. Your failure to respond will ultimately impair the orderly and prompt conduct of the proceedings, as such action will result in otherwise unnecessary motions to compel and/or to strike.

PNE Reply

Requests 2, 3, and 4 seek information that is irrelevant to this proceeding and is not reasonably calculated to lead to the discovery of information that would be admissible in this proceeding. Moreover, Mr. Fromuth's background, experience and qualifications are listed on the first page of his pre-filed testimony. The particular information which PSNH seeks is immaterial and would not be of consequence in in the Commission's deliberations on the issues in this proceeding.

PNE's Response to PSNH's Request 11

PSNH's question number 11 asked PNE to "Please provide a chart showing separately the number of residential and the number of small commercial

¹ [Constellation Energy] *Objection to PSNH Motion*, DE-0877(November 14, 2008) at p. 3 and 4

customers served by PNE in each New Hampshire utility's service area on a monthly basis, for the years 2011 and 2012 to the current date." Mr. Fromuth testified that the existence of certain charges assessed on competitive suppliers "impede the development of a competitive market for small customers... ." The information requested in question number 11 is relevant to how the competitive market for small customers has developed in New Hampshire, and whether such development is indeed impeded. Hence, the information requested by PSNH question 11 is indeed relevant, and PSNH requests that PNE respond to it.

PNE Reply

This Request is seeking confidential information that is protected under RSA 91:5. Moreover, this information is available from a more convenient and less burdensome source, namely PSNH. Beyond this, any charges assessed to competitive suppliers will inevitably reduce the potential savings to smaller customers and thereby impede the development of a competitive market.

PNE's Response to PSNH's question number 12

PSNH's question number 12 refers to a footnote contained in Mr. Fromuth's testimony. If PNE now feels that that footnote is not relevant to this proceeding, PSNH requests that Mr. Fromuth strike that portion of his testimony, and file an amended version of that testimony. Should Mr. Fromuth choose not to strike that portion of his testimony, then questions regarding that testimony are indeed relevant, and a response must be provided.

PNE Reply

This request seeks information that is irrelevant to this proceeding and is not reasonably calculated to lead to the discovery of information that would be admissible in this proceeding. Without waiving this objection, PNE refers PSNH to footnote 1.

PNE's Response to PSNH's question number 14

PSNH's question number 14 asks "Does Freedom Logistics, PNE, and/or Resident Power pay PSNH for charges covered by the Selection Charge, Billing and Payment Charge, and the Collection Services Charge identified in your testimony? If so, please detail on a monthly basis from 2010 to present, the amounts paid by each of Freedom Logistics, PNE and Resident Power for each of these individual charges." In his testimony at page 2, Mr. Fromuth testifies, "On April 13, 2012, PNE filed a petition with the Commission seeking an order requiring modifications to three of PSNH's tariff provisions of which are charged to competitive suppliers. The three charges are the Selection Charge, Billing and Payment Charge, and the Collection Services Charge." (footnote omitted). As the entire focus of PNE's testimony relates to the Selection Charge, Billing and

Payment Charge, and the Collection Services Charge, PSNH's question regarding whether PNE actually pays any or all of those charges, and if so, to provide details concerning such payments is relevant and reasonably calculated to lead to the discovery of admissible evidence. PSNH requests that PNE respond to this question.

PNE Reply

This Request is seeking confidential information that is protected under RSA 91: 5. Moreover, this Request is an abuse of discovery PSNH can determine from its own records exactly what payments PNE makes to PSNH for supplier services.

PNE's Response to PSNH's question number 17

PSNH's question number 17 asks, "What is the relationship between Freedom Logistics and Freedom Partners, LLC?" Over the years, there has been a string of entities using the "Freedom" moniker. One of them, Freedom Partners, was a party to Docket No. DE 99-099, *Re PSNH Proposed Restructuring Settlement*, where in Order No. 23,443, the Commission reviewed and approved the charges that are the subject of PNE's Petition. In that Order, the Commission held, "Since these are new services that will impose additional costs on the Company, they are proper for recovery from suppliers taking the services." 85 NHPUC at 273. Question number 17's inquiry into the relationship between Freedom Logistics and Freedom Partners is thus relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence. PSNH requests that PNE respond to this question.

PNE Reply

Freedom Partners no longer exists. Moreover, it opposed in Docket No. DE 99-099 the charges that are now the subject of this proceeding.

PNE's Response to PSNH's question number 21

PSNH's question number 21 asks, "Please provide a chart showing the uncollectible rate by customer class for each of Freedom Logistics, PNE, and Resident Power by month for 2010 to the present." One of the issues in this docket is whether implementation of a "purchase of receivables" program should be implemented in New Hampshire. PNE also raised the issue of such a purchase of receivable program in its Petition, at paragraphs 7 and 8. Furthermore, in his testimony, Mr. Fromuth states, "The Commission opened this proceeding to investigate the merits of instituting purchase of receivables, customer referral, and interface programs, and other retail market enhancements." Hence, PSNH's question 21 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence. PSNH requests that PNE respond to this question.

PNE Reply

This request seeks information that is irrelevant to this proceeding and is not reasonably calculated to lead to the discovery of information that would be admissible in this proceeding. PNE has taken no position on POR. In any event, with respect to the services rendered by PSNH to competitive suppliers, the only issue in this proceeding is, if the costs exist, how they should be collected by the utilities.

Moreover, this Request it is seeking confidential information that is protected under RSA 91: 5.

PNE's Response to PSNH's question number 25

PSNH's question number 25 asks, "Has Freedom Logistics, PNE, or Resident Power determined what the cost would be to perform their own collection activities? If so, for each of those entities, what was the expected cost to perform that function on a percentage of total monthly receivable dollars basis? If not, why not?" PNE's Petition and Mr. Fromuth's testimony both complain about PSNH's tariffed "Collection Services Charge." In his testimony, Mr. Fromuth testified that the Collection Services Charge, amongst other charges, "impede[s] the development of a competitive market for small customers..." The information sought in question 25 is whether PNE has investigated what it would cost to perform its own collection activities; if so, what it would cost; and, if not, why not. This information is indeed relevant to the allegation that PSNH's existing Collection Services Charge is impeding the development of a competitive market for small customers. PSNH requests that PNE respond to this question.

PNE Reply

This request seeks information that is irrelevant to this proceeding and is not reasonably calculated to lead to the discovery of information that would be admissible in this proceeding. Without waiving this objection, PSNH asserts that no such study exists.

PNE's Response to PSNH's question number 36

PSNH's question number 36 asks, "Does Freedom Logistics, PNE, Resident Power or any affiliated entity provide energy service to any retail customers in the state of Maine? If so, please provide the number of such customers, including the name of each distribution utility that provides delivery service to such customers." In his testimony, Mr. Fromuth states, "Freedom Logistics is a licensed competitive supplier in Maine..." and "Freedom Logistics is also [sic] licensed competitive supplier in Maine." In its Petition, PNE states "No other utility in New England charges a fee for 'Billing and Payment Services.'" PNE's Petition also states "No other utility in New England charges a fee for 'Collection

Services.” PNE has raised the issue of what charges are or are not assessed in other New England states. PSNH, in its Motion to Dismiss PNE’s Petition, noted that the Maine PUC’s regulations at Code Me. R. 65 407 322 § 3 (2002) require that state’s transmission and distribution utilities to “charge a competitive electricity provider the utility’s incremental cost of providing basic bill issuance, bill calculation, and collections... .” Hence, PSNH’s question 36 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence. PSNH requests that PNE respond to this question.

PNE Reply

This Request seeks information that is irrelevant to this proceeding and is not reasonably calculated to lead to the discovery of information that would be admissible in this proceeding. With respect to the services rendered by PSNH to competitive suppliers, the only issue in this proceeding is, if the costs exist, how they should be collected by the utilities.

This Request is also seeking confidential information that is protected under RSA 91:5.

PNE’s Response to PSNH’s question number 8

In question 8, PSNH asks, “Paragraph 11 of PNE’s Petition alleges ‘there are at least three charges assessed by PSNH to competitive suppliers, such as Power New England, that are completely out-of-line with the comparable charges assessed by other New England utilities. . . .’ Please provide a table listing all ‘other New England utilities’ detailing the ‘comparable charges assessed by’ each such utility.” PNE’s response to this question was “No such table has been prepared by PNE.” This answer is not responsive to the question. In its Petition, PNE has stated, “No other utility in New England charges a fee for ‘Billing and Payment Services’”; “No other utility in New England charges a fee for ‘Collection Services’”; and, “No other utility in New Hampshire imposes a ‘Selection Charge.” Mr. Fromuth testifies that PSNH’s Selection Charge, Billing and Payment Charge, and the Collection Services Charge “are completely out-of-line with the comparable charges assessed by other New England utilities.” PSNH’s question asks for PNE to supply the information that forms the basis of Mr. Fromuth’s testimony. PSNH will accept a listing of all “other New England utilities” detailing the “comparable charges assessed by” each such utility in any form, whether tabular, spreadsheet, listing, or any other format that PNE or Mr. Fromuth may have. However, question 8 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence and PSNH requests that PNE fully respond to this question.

PNE Reply

No such table exists. Moreover, it appears that PSNH has already gathered this information.

PNE's Response to PSNH's question number 16

PSNH question 16 asks, "On p. 3 of your prefiled testimony you testify that 'within the past year' there has been a 'relatively large increase in the enrollment by competitive suppliers of residential and small commercial customers...' Please explain and quantify what you mean by this statement." PNE's response to this question was "The statement speaks for itself and needs no further explanation. Moreover, PSNH has access to this data." PNE has repeatedly alleged that certain charges in PSNH's tariff are impeding the development of a competitive market for small customers. In his testimony, Mr. Fromuth testifies that "'within the past year' there has been a 'relatively large increase in the enrollment by competitive suppliers of residential and small commercial customers...'" PNE's position in its testimony appears to be self-contradictory. PSNH is seeking information from PNE to quantify what it means when Mr. Fromuth testified that there has been a "relatively large increase in enrollment." Moreover, PSNH is not the only utility in New Hampshire, and therefore cannot be attributed with having "access to this data." Question 16 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence and PSNH requests that PNE fully respond to this question.

PNE Reply

A "relatively large increase in enrollment" refers to a large increase with respect to historical levels, but small in absolute numbers

PNE's Response to PSNH question number 18

PSNH question 18 asks, "On page 3 of your pre-filed testimony, you state, "Although the \$5.00 charge may sound small, it is a very large percentage of the first month's profit for a small customer."

- a) Please quantify "the first month's profit for a small customer."
- b) What is the typical contract length for a small customer?
- c) What is the average profit per month for a small customer?
- d) Please provide all documents, reports, studies and analyses supporting this response.

PNE's response to subparts a), c), and d) of question 18 was, "If hypothetically the profit margin is 1 cent per kwh and the customer uses 500 kwh per month, then the monthly profit would be \$5.00." PSNH did not ask for a hypothetical mathematics statement, which is what PNE provided. PSNH's question inquires specifically about PNE's testimony that \$5.00 is a very large percentage of the first month's profit for a small customer. PSNH's specific request was for PNE to quantify "the first month's profit for a small customer." That request is directly and specifically related to Mr. Fromuth's testimony and the subject of PNE's Petition, as are the questions contained in subparts c) and d). Question 18 in its entirety is relevant to the proceeding or reasonably calculated to lead to the

discovery of admissible evidence and PSNH requests that PNE fully respond to this question.

PNE Reply

This Request it is seeking confidential information that is protected under RSA 91:5.

PNE's Response to PSNH question number 32

Finally, in question 32, PSNH asks, "If the Commission decided to require PSNH to recover any costs of the services in question through base rates:

- a) How would customers who purchase energy service from PSNH be impacted?
- b) What additional benefit would customers who purchase energy service from PSNH receive?
- c) Wouldn't such assessment of costs to customer who purchase energy service from PSNH amount to a mandatory and unavoidable tax that solely benefits competitive suppliers?"

PNE's response to subpart a) of question 32 was "Additional migration by small customers to the competitive market will force PSNH to take a write-down on the Scrubber costs it seeks to recover through Rate DE. Accordingly, customers who purchase energy service from PSNH may not be impacted at all. See 2011 NU Form 10K at p.18.

(http://www.nu.com/investors/reports/2011_NU_Form_10K.pdf)" PNE's response fails to answer the question asked. The reference to NU's SEC Form 10-K is not at all responsive, nor does the 10-K state that migration by small customers to the competitive market will force PSNH to take a write-down on the Scrubber costs. Even if it did, PNE's response is not responsive to PSNH's question.

PNE's Petition and testimony both assert that the changes sought would benefit customers. PSNH's question 32 inquires into this assertion. PNE's answer to subpart a) and its nonsensical responses to subparts b) and c) are inadequate. Question 32 is relevant to the proceeding or reasonably calculated to lead to the discovery of admissible evidence and PSNH requests that PNE fully respond to this question.

PNE Reply

PNE has nothing further to add to its Response other than to state that all customers will directly or indirectly benefit from a competitive market consistent with the stated purposes of RSA-F. As noted in NU's Form 10K, continued migration away from PSNH default service will threaten PSNH's ability to recover the cost of the Scrubber. Finally, the NHPUC has no taxing authority.

Sincerely,
/s/ James T. Rodier

APPENDIX D

FREEDOM ENERGY LOGISTICS

“Purchase of Receivables, the ‘Sub-Prime Mortgage Equivalent for Utilities”

June 12, 2012

<http://freedomenergy.wordpress.com/2012/06/12/purchase-of-receivables-the-sub-prime-mortgage-equivalent-for-utilities/>

Purchase of Receivables, the “Sub-Prime Mortgage” Equivalent for Utilities June 12, 2012

Posted by [freedomenergy](#) in [Effort #3](#)

Tags: [Ovide Lamontagne](#), [Retail Energy Supply Association](#) [trackback](#)

The NH PUC has opened Docket DE 12-097 to investigate, among other issues, purchases of receivables (POR) in order to “enhance” the competitive options for energy supply.

In POR, competitive suppliers sell, at a discount, their Accounts Receivable to the utility that provides Standard Offer to the small electricity user. The discount is intended to provide relief for the apparently inevitable defaults of some consumers. Those bad debts are then paid for by all utility consumers through adjusted Stranded Costs.

The Retail Energy Supply Association (RESA)—22 companies, again, only one of which is headquartered in New England— encourages support for POR. A reasonable person might ask “why?” Well, RESA says it will encourage competitive suppliers like themselves to enter markets. When testifying in Maryland for a required POR, part of RESA’s argument rested on the elimination of costly credit checks undertaken by competitive suppliers to ensure that potential customers they planned to take from incumbent utilities could actually pay their energy bills. Since ratepayers who in fact paid their bills would have to pick up the tab for their less creditworthy brethren, POR would – wait for it – **encourage** suppliers “to market to all of the utility’s customers, not just those with the most favorable credit and bill payment histories.”

FEL sister company Resident Power (RP) believes customers receive goods or services because they can pay for them. To that end, RP currently performs such “costly credit checks” and it has had to turn down some prospective customers in New Hampshire because their credit history did not stand up to scrutiny. That’s the way wise business is conducted.

A working group for the Ovide Lamontagne gubernatorial campaign puts it this way, “POR is little more than the ‘sub-prime mortgage’ equivalent of utility prices; it allows companies to sell energy to consumers whose credit ratings, or payment histories, have shown them to be poor risks for payment. Energy suppliers sell, or ‘factor’, these customers’ accounts to regulated utilities who, in turn, collect them as an equivalent stranded cost.”

So, the “competitive” supplier gets paid, albeit at some figure less than it billed, the utility becomes the bill collector to the “competitive” energy supplier’s deadbeat customers, and the loyal customer who pays their own bills sees their electricity rates rise even further through stranded costs subsidized on their backs.

FEL does not favor POR and will testify against it in the coming months.

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APPENDIX E

TRANSCRIPT

JUNE 14, 2012 RADIO SHOW

<http://www.girardatlarge.com/media/audio/6-14-2012%20Hour%203.mp3>

Transcription of Gerard at Large AM 1250/ 90.7 FM WLMW Radio Show

Interview with Sean Devine the Energy guy

June 14, 2011 8:06 am

Gerard: 8:06 every Thursday we are joined by Sean Devine our energy guy, he has a really cool website by the way called SeantheEnergyGuy.com where you can find all kinds of really cool stuff about just various energy issues, there are videos, interactive sorts of presentations on how things get blown up under the earth to give us gas and oil, it's really cool crap.

Devine: It is pretty cool.

Gerard: There you go. So, aah, in this segment of course, Sean the Energy Guy is brought to us by Resident Power.com which presents you a unique and rare opportunity to be like your ever humble host, and that is saving a lot of dough on your electric bill. As a matter of fact Sean, I just got my first bill since switching to Resident Power.

Devine: Let me guess what it said on the supply line of that bill

Gerard: Go ahead

Devine: PNE Energy Supply

Gerard: I think it did

Devine: Indeed

Gerard: And I am down to 7 cents, 7.2 cents a kilowatt oooohhhh

Devine: As am I, as am I

Gerard: That's a whole lot better than what I was paying before, so

Devine: Now that's in the teens lower than 8.75 cents

Gerard: So I smiled when I saw my power bill drop

Devine: That's awesome

Gerard: So you too can do this by going to Resident Power.com, that's Resident Power.com. If you are capable of typing in your name, your address, and your current utility bill account number, then you too like me can save money. Guaranteed

Devine: Guaranteed

Gerard: And listen if its only 20 or 30 bucks a month for you like it was for me, that's ok, you can send me half of it

Devine: Hehe

Gerard: I am sure I will find something to do with it. Resident Power. Com do it now, and thanks to all of you in the Gerard at Large audience, and there have been dozens of you,

Devine: Dozens....literally dozens

Gerard: Who have gone and done the very same thing and we appreciate you letting them know that we sent you along when you do it. Alright, Sean there is some crazy legislation that you brought to my attention in Concord that does something called, something called what Purchase of receivables?

Devine: Right so that would , it would force the State of New Hampshire like some other deregulated states uumm who have been forced into this situation just to accelerate the pace of free market situations, its call POR, Purchase of Receivables .

Gerard: Now you totally lost me in that, first off when you say, oh and if you questions for Sean we'll take them at 647-1250 about anything having to do with energy because this guy's pretty smart.

Devine: Sure

Gerard: Alright, so Purchase of Receivables, what is that?

Devine: So,

Gerard: Now first of all, is this something at the Public Utilities Commission? Is it a bill that's been introduced into the legislature? What's happening up there that's kicked off this discussion?

Devine: There are some folks who want to open the discussion about POR, about the state of New Hampshire becoming a POR state, so it does actually touch on all those levels that you mentioned.

Gerard: Ok, so now Purchase of receivables, who is buying what?

Devine: Ahem, so this would force, ahhh, this this step, this step forward, that some people believe is forward, however, any of us in the energy world look at this and say this is going to be bad for the rate payers and we'll certainly get to why it will be very bad for rate payers. The situation that comes along when POR is introduced is the utilities are forced to purchase account receivables of suppliers for up to six straight months. So, that means if you - - go ahead

Gerard: Ok, I was going to say, we need to bring this in English,

Devine: Yes

Gerard: So...

Devine: Let's break it down

Gerard: Purchase accounts receivables of power suppliers, so um, let's say PNE for example

Devine: Umm Hmm

Gerard: That is the company that I now purchase my power from

Devine: Umm hmm

Gerard: Because I went through Resident Power

Devine: Umm hmm

Gerard: Now what account receivable means is this is money that their company is owed by their ratepayers?

Devine: That's correct, so that would be you or me.

Gerard: So there is legislation, or potential legislation that would have, umm, who? Public Service Company of New Hampshire?

Devine: Public Service or Unitil or National Gird, the New Hampshire Electric Coop, so any of the utilities

Gerard: So any regulated utility in the State of New Hampshire would have to purchase the receivables, meaning money that has not yet been paid

Devine: Yea, so billed, any billed dollars. So last month's bill for you. Six months, for six straight months

Gerard: Ok my brain just fried.

Devine: Right, and the reason, again the reason it's so hard to wrap your head around this situation is because it's terrible and so, that means for me for example, I do pay my bill on time every month.

Gerard: So do I

Devine: Let's put ourselves in a position ahh that there's other folks out there who don't. We know that that happens. There are folks who don't pay their bill, they are a little behind and or they just don't pay the bill. And so, you and I who pay our bill on time every month, therefore we can go and purchase electricity from a competitive supplier and and if we were POR, now PSNH our utility for both of us would then be forced to purchase six full months of receivables and guarantee those receivables to, say, PNE Supply.

Gerard: So now is that only for people who don't pay their bill? Or that's everybody?

Devine: Everybody

Gerard: So there's a legislature

Devine: And then, so this would put 5 billion dollars in, you know, as a debit for Public Service which means they are going to have to come up with these 5 billion dollars somehow. Thus it goes on

Gerard: Million or billion

Devine: Billion with a B, thus then these charges to make up for the folks who aren't paying up to six months, then get put on transmission distribution charges. Now, Resident Power and any other Power aggregator out there can help you lower your bill by affecting your supply. None of us can affect transmission and distribution. And the reason that I said I will get to why this is so terrible is, for all of us who are purchasing on the open competitive market, using our choice that we were given by deregulation, ah, all of us are now benefiting from this. However, and this is progression of deregulation, this is the process that, that, that we go when we deregulate markets. Now, PSNH says no, no, no now we have to cover everyone who doesn't. So this would then increase transmission and distribution, as I just said, which none of us can effect on the competitive market.

Gerard: And it's not by PSNH's choice, it's because it would, if, if, if legislation or regulation like this passes they will be forced to.

Devine: Correct. And so this is why I said Rich we gotta talk about this.

Gerard: What is the purpose, what cement head thinks it's a good idea to make a regulated utility pay power suppliers for the receivables of their company?

Devine: The big bad top ten massive national, let's call them Power Suppliers.

Gerard: Why?

Devine: Because now they can come into a state and do whatever they want cuz they know they have guaranteed receivables for six straight months. Imagine how good your book would look in, any business owner out there, imagine how good your book would look if you had six straight months guaranteed receivables.

Gerard: But is only on the receivables, only receivables. In other words it's only on

Devine: That they are serving.

Gerard: That they are serving but its only people who aren't paying. So people like you and me and I suspect the vast majority of our listening audience, who pay their bills on time every month, are, are, are not having the utility kick over money to the power supplier for them. Right?

Devine: Oh no this affects everyone, this means

Gerard: So it's every customer

Devine: Every single Customer

Gerard: Regardless of whether or not they pay

Devine: Right and that's why the, the, the dollars that will be needed to make up for this 5 with a B billion dollars, this is how much money will affect New Hampshire. That 5 billion has to come from somewhere. Just like last week we spoke about this stranded cost recovery from Seabrook, now I looked at my bill and it is 1.033 cents per kilowatt hour that we pay to PSNH for that stranded cost recovery.

Gerard: that's on the transmission side, not the power supply side.

Devine: No that's, Yeah that's transmission. So, so imagine now if we have to come up with another 5 billion. What is that going to be 2½, 3½, 4½ more cents per kilowatt hour?

Gerard: Its, its 5 billion bucks that gets paid to these power suppliers. Right?

Devine: Well, well ahh only, only to the suppliers who aren't, you know, being paid. So if you're paying PSNH they are recovering your dollars immediately and then sending the supply portion to the supplier. But this 5 with a B would be to make up. So people could go 5 months 6 full months and not pay buy yet, PSNH still pays the supplier for the supply portion of that electricity every month. Now after that six months, you know booted, see you later, you're outta here. But that's still six full months, 5 billion dollars.

Gerard: I am trying to figure out what the purpose of this legislation is? Who does it help?

Devine: Ahhh it helps the large suppliers come in. In the state of Connecticut for example

Gerard: and you're saying this is a natural part of deregulation?

Devine: aahh in some states it has been and in most of them they said no way, see you later Jose

Gerard: Ok, so you're gonna say something about Connecticut. We'll get to that right after the break. 30 seconds, we'll be back

15 Minutes might save you money we hear it all the time this is Rich Gerard and in about 97 seconds I actually saved money on my electric bill by visiting Resident Power.Com. Visit Resident Power.Com and save money today. Guaranteed Hi, This is Sean Devine, the Gerard at Large Energy Guy Resident Power Guarantees you'll save money because it represents dozens of low cost power producers. Get the details and save money. Guaranteed Visit Resident Power.Com Do it today

Gerard: Alright, so you're going to tell us about what happened in Connecticut and then you're gonna tells us what you just told us before we came back on the air.

Devine: I will. So if you look at the Connecticut ahh Department of Public Utilities website. Umm you look at the list of suppliers that are down there serving residential customers

Gerard: Ok

Devine: 40 of them long. All posting different prices every day. It's a mess. It's an absolute mess. Now, some ahh may look down on that and say Ahh that, that looks like it's working, but now it's created a situation where the standard offer, you know, has gone so high, aahhh from the utilities and

Gerard: Now this is a result of them becoming a purchase of receivables state you're saying?

Devine: No I am saying this would be the result, this would be the result of it. Now I have to go and check my ahh, check the book there's a few POR states in New England. I believe Massachusetts is one of them.

Gerard: Ok

Devine: aaahh

Gerard: So is Connecticut a POR state or not a POR state?

Devine: I have to double check that one. I'll definitely get back to you on it.

Gerard: Alright

Devine: umm and so what would end up happening is over our course of deregulation in the state of New Hampshire, we have had 12 progressive great years where the markets have corrected everything themselves. We've allowed the market to dictate rather than legislation dictate how deregulation will work here in the state. This is a model deregulation ah system we have here because the hand of government hasn't been able to play to large of a roll. Now it has a few times. You can't avoid that. Ah whether for good of for bad. But if we were to become a POR state, the ah, the large national suppliers can come in here and and there're now willing to serve any, any customer in the state of New Hampshire just because they have those guaranteed receivables. That 5 billion dollars needs to be, as I mentioned, needs to be paid for somehow and then it will go on

Gerard: Well I guess I would be willing to take on any customer if somebody else is paying for that.

Devine: Exactly, exactly

Gerard: Does the utility, does PSNH, Unitil, whoever, do they ever get reimbursed for that expense at some point? I mean, does the company that receives the 5 billion, the companies that receive any kind of

Devine: Well the reimbursement comes from the transmission distribution increase in costs

Gerard: Yes, so we pay for it but

Devine: and that's why I am so up in arms and alarmed a lot of us here in the state, certainly at the Freedom office are fully up in arms at this because now all of us are paying

Gerard: this just seems like an attempt by someone to use government to soak ah

Devine: Socialize the cost of electricity on everyone?

Gerard: Yeah but it's not

Devine: is that a term that's usable on this one?

Gerard: Well no, I think, I think it's just a soaking a way to extract 5 billion dollars out of the pockets of the people in this state because you know, listen. What sense does it make to say Ok, you have to purchase my receivables? The receivables are on every customer regardless of whether or not they pay

Devine: um hmm

Gerard: um so presumably people are going to get paid twice. Right? The company that gets the purchase of receivables money from the utility is gonna get paid by the utility, they are going to get paid by people like you and me who pay our bills. So they actually are going to get 10 billion out of a 5 billion dollar deal, uhh uhh

Devine: that's definitely one way to look at it

Gerard: and, and to what good? So that they can offer power to people who aren't paying their bills? I don't understand this

Devine: It's as I said, this is a reason we are up in arms, we do not want POR coming to the state of New Hampshire and I hope that you know, just by getting the word out this morning I hope that, you know, people can hear and understand why, Hey, yes I am passionate about a lot of this stuff. Of course it has to do with how I earn a living. It's how I put food on my plate, but it's also really nice to come on the show and be able to educate the folks that are listening and say, hey you know here's stuff that is affecting all of our bank accounts every single day.

Gerard: So let's uumm, there is no legislation, yet.

Devine: Not yet, there's talks

Gerard: there's talks

Devine: There's rumblings and grumblings in Concord

Gerard: Is there anything taking place, or who are the rumbling and grumblings noise coming from? What, is it the science and energy committee? Is it the Democratic leaders' office? Is it the house?

Devine: It's not at that level yet. It's more a, certain groups if you will.

Gerard: Oh, well who are the groups? We wanna make friends with them

Devine: You know, yeah, we can't be talking about these groups right now. Haha

Gerard: No?

Devine: They haven't, they haven't officially come out there and you know, put their name on it yet

Gerard: oooohhh, so it's kind of clandestine

Devine: You know what I am saying.... So there are, however there is a group of us saying No this is unacceptable. So we are willing to put our name on that first and foremost.

Gerard: And I would assume as a, you know maybe I ought to give Mike Skelton a call and see what PSNH has got to say about this

Devine: I am sure PSNH wants nothing to do with it

Gerard: ahahahaha

Devine: ahahahah we ahh in this industry one day you will see a utility not showing love to one of us suppliers or consultants and the next day we're right there next to each other saying hey this is crazy

Gerard: hmm. Very interesting Remember the good ole days when the government used to break up monopolies?

Devine: hahahah

Gerard: instead of get in bed with them

Devine: Yeah its scary, its scary

Gerard: Remember those days?

Devine: and that's you know, aahh and one thing we spoke about just a few weeks ago Rich is I remember you saying, Sean I thought you told me that natural gas was at an all-time low, and I said No no its gone up and you said aahh geez well how much?

Gerard: Umm hmm

Devine: well we're back down into the 2 dollar and teens level, um so we just, we had some serious losses posted and what that means to me is when I am looking at the, you know, past three months, past year, past 5 years is the bulls weren't able to break that 2.40 and 2.50 level so

Gerard: Umm hmm

Devine: with the pricing that we are seeing for certain customers right now some folks are saying hey lets lock in for two or three years at these levels.

Gerard: Wow, so 5 billion dollars?

Devine: yes, sorry I just switched over to natural gas real quick.

Gerard: No that's fine, but 5 billion. So now this is only supposed to cover the receivables for a six month period of time? Is that what you are telling me?

Devine: Correct, correct so it would be six full months of usage

Gerard: So what happens at the end of the six months?

Devine: Well imagine some of the folks out there, the large commercial industrial customers out there that are you know, just to see these guys are guys who pay every time anyways but someone using 500,000 kilowatt hours a month. Someone paying, you know, \$25,000, \$50,000 a month for their electricity.

Gerard: Well what's, what's the benefit let say to the utilities system here in the State of New Hampshire to have 5 billion dollars handed over to these out of state suppliers? So that we get to pay that 5 billion dollars...

Devine: That is the point, that is the perfect point

Gerard: Where does it open up? What does it improve? What does it open up? What does it improve?

Devine: It brings more competitive suppliers into the state and one point of view is that furthers competition, furthering deregulation. But then when we look at it

Gerard: I'd probably be a more competitive radio station if WZID, WGIR were kicking over six months of their receivables to help me get up on my feet too, I mean

Devine: Yeah

Gerard: What is that??

Devine: Hey, uh that's the perfect, uh, business owner right there looking at this and saying this is crazy.

Gerard: It's a matter of, you know, it's bad enough I have to compete with them and the government sponsored radio, ah, you know, what you macallit there, NPR, with you know. What is that?

Devine: Oh, they have some good shows on the weekends.

Gerard: hahahah Oooh, my head. So there is talk of a pipeline in Maine

[END OF DISCUSSION REGARDING PURCHASE OF RECEIVABLES]

APPENDIX F

FREEDOM ENERGY LOGISTICS

“Resident Power Sponsors ‘Sean the Energy Guy’”

April 2, 2012

<http://freedomenergy.wordpress.com/tag/sean-devine/>

Resident Power Sponsors “Sean the Energy Guy”

April 2, 2012

Posted by [freedomenergy](#) in [Sub 2](#).

Tags: [Girard At Large](#), [Natural Gas Trading Desk](#), [NH's 1250 AM](#), [Sean Devine](#) [comments closed](#)

FEL Power sister company Resident Power now sponsors a weekly radio segment, “Sean the Energy Guy” on NH’s 1250 AM.

Hosted by FEL Power’s Sean Devine and co-host Bart Fromuth, Resident Power Managing Director, each segment tackles a current energy issue. Since launching in March, they’ve discussed topics as diverse as fracking, gas prices and NH HB 1238 that sought to force PSNH to divest its generating assets. They also take calls from listeners.



Devine manages the natural gas trading desk at FEL Power and is also active with Resident Power.

“Sean the Energy Guy” is heard Thursday mornings at 8 a.m. on 1250 AM in the Manchester, NH metropolitan area. It is also streamed at <http://girardatlarge.com/arcv/show-archives>

The show can appear on a radio station near you; contact Sean Devine at 603-625-2244 and by email at Sean.Devine@FELpower.com to suggest a guest spot.

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