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N.H.P.U.C. Case No. 14-238  
Exhibit No. T  
Witness Cronin  
NOT FOR FILE

Testimony of Terry Cronin  
Docket No. DE 14-238  
September 18, 2015  
Page 1 of 6

**Please give your name, address and the span of your current residence.**

My name is Terry Cronin. I've lived at 643 Briar Hill Road in Hopkinton, NH for the past 21 years.

**What interest do you have in the settlement?**

I am a Public Service Company of New Hampshire d/b/a Eversource Energy ("PSNH") default-service residential ratepayer whose rights, duties, privileges, immunities and other substantial interests— especially economic and public — will prove affected by this proceeding.

**What is your background?**

I've been a New Hampshire resident for about 60 years. I graduated Manchester Central High in 1970 and received a Bachelor of Arts degree in Political Science from the University of New Hampshire in 1974.

In 1978 and 1979 I worked as an intern for New Hampshire's U.S. Senator John Durkin in Washington, D.C. Senator Durkin sat on the Senate Energy Committee and it was through my exposure to the work here that I first learned about the harm from burning coal and global warming. What we now know as dangerous anthropogenic interference with the climate system.

Since then I've had two careers. The first was in the field of employment, training and education; the second was as a sales professional -- a top national performer in both medical device and biotechnology sales.

For the last five years I have pursued writing as an avocation. In October of 2011, I was selected as a writer — from more than 76 others — for membership to the **Concord Monitor's** Board of Contributors for one of eight open seats. Since, the **Concord Monitor**, **Nashua Telegraph**, **Fosters Daily Democrat** and the **Berlin Daily Sun** have published my work. Most all of my pieces addressed the Northern Pass Transmission Project and the Scrubber Project at the Merrimack Station. My focus on these subjects stemmed from my experience as an intern in Senator Durkin's office.

**Why do you object to the settlement?**

I object because the "Settling Parties", as identified in the Joint Motion for Expedited Approval of Settlement Agreement and Rate Adjustments, dated June 10, 2015, have no right to "settle" or otherwise agree to electricity rates that affect residential rate payers (excepting only PSNH and the Office of Consumer Advocate ("OCA")). But I also object because PSNH has so politicized the OCA that it no longer represents rate payer interests. It represents political interests.

On November 10, 2011, the **Concord Monitor** published a piece by Matthew Spolar titled **Consumer advocate's reappointment blocked**. In it he cited Executive Councilors David Wheeler, Chris Sununu and Ray Wieczorek, for voting against renewing the former Consumer Advocate's contract. He said Chris Sununu and Ray Wieczorek objected to her for opposing PSNH's proposed deal with a biomass company in Berlin, NH. Their vote followed the release of the OCA's report detailing how the biomass power purchase agreement would cost PSNH customers at least \$400 million by purchasing energy from the plant at over-market costs. Moreover, Mr. Spolar also reported that Executive Councilor Sununu denied her reappointment for concerns she voiced following PSNH's 2008 cost estimate increase for the scrubber project. She argued that an increase from \$250 million to \$457 million on the aging coal power plant in Bow would raise costs for rate payers when the state's utilities needed newer, cleaner sources of energy.

In fact, had the former Consumer Advocate taken any other position on either of these matters she would have failed her sworn duty to rate payer advocacy.

Now both represent the greatest costs and affront to the economic interest of rate payers in this settlement agreement.

Following Senate agreement on SB 221, Senator's Bradley and Feltes said they took the deal for fear of the Eversource threat of a protracted legal battle that the state and rate payers can't afford. But after four years of rate payer financed PSNH litigation to no good end, any settlement under duress of further protracted litigation costs represents an unjust and unreasonable burden on rate payers. It requires repudiation.

Rate payers expect to pay for electricity from this company, not for the rogue litigation operation of a Fortune 500 investor owned utility. Eversource's record of total shareholder return averaged 20% per year over the past five years – 100% since 2010.

With rate payer interests subverted, the settling parties agreed to exclude only \$25 million of the hundreds of millions spent on the scrubber after years of litigation over PSNH's actions of dubious prudence on the project. They agreed to this sum though PSNH in its September, 2008 update to the PUC had raised its estimate for the project from \$250 million to \$457 million and promised "...that following the installation of the scrubber, Merrimack Station will continue to be a vital base-load source for reliable and affordable power to our customers...."

Given PSNH's failed promise for Merrimack Station, the agreement represents an unjust and unreasonable burden to rate payers.

How did the settling parties arrive at "PSNH's agreement to forego recovery of \$25 million of previously deferred equity related to the Merrimack Station Scrubber"? When the PUC non-

advocate staff asked this question at the Technical Session/Settlement Conference on August 20, 2015, Christopher Aslin, the Assistant Attorney General representing the State Office of Energy and Planning answered "...It was just a negotiated number." Whatever money PSNH agreed to forego in negotiations with the settling parties had nothing to do with the matters of prudence litigated in DE 11-250.

When questioned "...Is it Designated Staff's opinion that the Settlement Agreement meets the purposes of HB 1602 and adequately resolves the Commission's prudence review of the scrubber?", Mr. Thomas Frantz, who is among the PUC's senior staff, answers in his testimony "... Yes, though the Commission's order in the scrubber docket was stayed, the Settlement Agreement resolves all the criteria set out in HB 1602 and, in my opinion adequately addresses the prudence issues in the scrubber proceeding."

As further cover for not addressing the prudence issues in the scrubber docket, Eversource agreed to a \$5 million dollar clean energy fund under Eversource shareholder auspice. But with no relevance or materiality to the dockets under consideration and no explanation otherwise, rate payers must infer this shareholder grant a settling party's (or parties') political payoff. Had PSNH made such an offer in the context of a PUC docket, it would have been dismissed for its rank corruption.

Next, three years after the \$207 million estimate increase, on December 1, 2011 in a **Concord Monitor** piece titled **Utilities to answer for outage** Matthew Spolar writing about former PSNH president Gary Long says "...Long also said the intensity of the storms in recent years dwarf those from the previous decade. PSNH officials handed out a report showing that the four major storms from the 1990s knocked out power to between 55,000 and 93,000 at their peaks. By contrast, the four major storms of the last three years – the December 2008 ice storm, the February 2010 wind storm, Tropical Storm Irene in August and last month's "Snowtober" – have ranged from 125,000 to 322,000 customers without power."

Spolar quotes Long saying, "...If you really want to solve this, you've got to talk to God or Mother Nature...." But the science behind the greater intensity of storms had been well understood, articulated and seen (as with Katrina in 2005) before PSNH's management opted to extend the life of the Merrimack Station with the scrubber project even though they knew or should have known that the plant would continue to contribute to dangerous anthropogenic interference with the climate system and the outages.

The Petition for Intervention of Terry Cronin at number 7 begins "...The settling parties in this joint motion have otherwise ignored PSNH's management failures. The company's management failed to account for federal regulatory trends since the Carter Administration on burning coal with regard to the costs to the public health and the environment."

Next, the settling parties' rate adjustments pose an historic threat to the public interest.

Regarding PSNH's failed scrubber project Senators Bradley and Feltes testified, "...in 2006 the Legislature made the unfortunate decision to statutorily assign the cost of the Merrimack Station Scrubber only to PSNH default energy service customers."

What's unfortunate of course is that under the Public Utilities Commission DE 99-099 restructuring finance order, default-service energy rate payers would have paid only their share of the scrubber project costs allocated in equal proportions across the various rate payer classes. So the State of New Hampshire's assignment of costs in the Scrubber Law — that PSNH helped draft — undermined the Commission's order for equity among the classes.

If the Commission approves this settlement, with state approval, it will guarantee an historic inequity among rate payer classes by law.

Likewise, the settling parties told us that PSNH's stranded costs required a non-by passable charge of all rate payer classes for securitization. But residential rate payer interests in an equitable non-by passable charge were sacrificed to powerful lobbyists for the LG and GV rate payer classes following the House Science, Energy Technology Committee Hearings. Mr. Frantz testified "... In order to get these two customer group's support for the settlement, their proportion of the overall stranded cost burden had to be reduced."

So the settling parties' agreement for a "non-by-passable charge" now requires by-ways for the LG and GV rate payer classes.

Mr. Frantz says "...because these two customer groups provide significant benefits to the economy through employment opportunities as well as the production of goods and services, the settling parties reached an agreement to minimize to the extent possible the future stranded costs impose on these rate payers. At the same time, the Settlement Agreement balances the increased burden on small residential customers with the increased rate savings they will experience following divestiture."

But what balance? Mr. Frantz fails even to distinguish between small residential customers paying default service rates from those who do not. Whether or not the Commission requires this or any other settlement to comply with the DE 99-099 restructuring finance order for equity, the latter residential rate payer group is guaranteed increased rates, not increased rate savings.

More important, under this settlement following divestiture the “increased rate savings” small default service residential customers will experience most will come from the ending of their economic subjection to the State of New Hampshire’s Scrubber Law and PSNH’s overpriced energy service rates.

Never mind that the state’s mandate and PSNH’s energy service rates have created what the market will bear – overall higher rates and a less competitive electric generation market – contrary to the Electric Utility Restructuring Law of 1999.

While extolling the benefits LG and GV rate payers provide the economy, the settling parties stand mute to the plight and harm small residential customers suffer from the New Hampshire economy’s growing income inequality. In a piece published on July 23, 2015, Bob Sanders writing for the **New Hampshire Business Review** tells us that according to a review of the most recent U.S. Census data for New Hampshire “...The income disparity between rich and poor is widening at a greater rate than anywhere else in the nation....”

Now not only will the default energy service customers have paid all the costs of the scrubber and the above-market PPA costs to date, under this settlement they will also bear the greater share of the LG and GV classes “non-by- passable” charges and the greatest burden of all the stranded costs going forward.

Large energy using customer classes already enjoy an unfair advantage over residential rate payers in their distribution rates. On November 25, 2014, the **Concord Monitor** published an editorial titled **State has options to cut energy costs**. In it they say, “...To encourage energy efficiency, New Hampshire should follow the lead of every other New England state – and half the nation – and decouple utility distribution revenues, the money earned by transmitting power from plant to customer, from sales volumes. Currently, the more power a utility with a fixed cost of distribution sells a customer, the more money a utility makes. That’s a disincentive to conservation.”

More important, New Hampshire distribution rates, while providing a disincentive to conservation, drive forward capacity rates and rate payer costs higher.

For harmony, any settlement the Public Utilities Commission approves must redress the past inequities to which default energy service customers have been subjected under the Scrubber Law and provide for equal, proportional cost allocation across all customer classes in concert with the Public Utilities Commission DE 99-099 restructuring finance order once and for all. In addition the Public Utilities Commission must insure an immediate divestiture of PSNH generation assets and then a thorough review of the scrubber project’s prudence in DE 11-250.

The State of New Hampshire must face and bear responsibility for its extraordinary, politically motivated scrubber mandate, and end its practice of putting the greatest costs for electricity on the least among us to benefit PSNH.

The Legislature must now amend the Electrical Utility Restructuring Law to address rate payers' inalienable rights to review by survey and decide by vote whether not an incumbent utility has provided adequate public service in the transmission and distribution of electricity that would permit it to continue doing business in this state. It must also amend the restructuring law to free the Office of Consumer Advocate from political interference, and to protect rate payer interests by placing the Office of Consumer Advocate under the supervision of the state's judiciary.

**Is this the end of your testimony?**

Yes.