Bill as Introduced

HB 314 – AS INTRODUCED

1999 SESSION

99-0186
03/09

HOUSE BILL ***314***

AN ACT relative to universal service.

SPONSORS: Rep. Bradley, Carr 8

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill increases the length of the transition period following implementation of retail choice of electricity suppliers, and provides that customers who have chosen a competitive generation supplier should be allowed to return to transition service.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

99-0186
03/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord One Thousand Nine Hundred and Ninety-Nine

AN ACT relative to universal service.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Public Utilities; Electric Utility Restructuring; Restructuring Policy Principles; Universal Service; Transition Service. Amend RSA 374-F:3, V(b) to read as follows:

(b) As competitive markets emerge, customers should have the option of stable and predictable ceiling electricity prices through a reasonable transition period, consistent with the near term rate relief principle of RSA 374-F:3, XI. Upon the implementation of retail choice, transition service should be available for at least [~~2~~] ***2-1/2*** but not more than [4] ***5*** years after the start of competition, for customers who have not yet chosen a competitive electricity supplier. Transition service should be procured through competitive means and may be administered by independent third parties. The price of transition service [~~should~~] ***may*** increase over time to encourage customers to choose a competitive electricity supplier during the transition period. Such transition service should be separate and distinct from default service. ***The commission should allow customers who have chosen a competitive generation supplier to return to transition service within the first year of the transition period.***

2 Effective Date. This act shall take effect 60 days after its passage.

Amendments

Rep. Gilmore, Straf. 11
Rep. Lynde, Hills. 24
Rep. Maxfield, Merr. 9
Rep. Howard, Carr. 10
May 21, 1999
1999-1388h
08/10

Amendment to HB 314

Amend the title of the bill by replacing it with the following:

AN ACT relative to the escrowing of certain utility payments.

Amend the bill by replacing all after the enacting clause with the following:

1 Findings. The general court finds that:

I. New Hampshire has the highest average electric rates in the nation and such rates are unreasonably high. The general court also finds that electric rates for most citizens may further increase during the remaining years of the Public Service Company of New Hampshire rate agreement and that there is a wide rate disparity in electric rates both within New Hampshire and as compared to the region. The general court finds that this combination of facts has a particularly adverse impact on a majority of New Hampshire citizens.

II. New Hampshire's extraordinarily high electric rates disadvantage all classes of customers: industries, small businesses, and captive residential and institutional ratepayers and do not reflect an efficient industry structure. The general court further finds that these high rates are causing businesses to consider relocating or expanding out of state and are a significant impediment to economic growth and new job creation in this state.

III. In 1997, Public Service Company of New Hampshire was scheduled to return to traditional ratemaking and was directed by the public utilities commission to participate in a rate case proceeding pursuant to the agreement between the state of New Hampshire and Northeast Utilities.

IV. Although a rate case proceeding was commenced, such rate case proceeding has not been concluded and is presently enjoined by a Federal Court at the request of Public Service Company of New Hampshire, thereby preventing the state from exercising its appropriate police powers to protect the citizens of New Hampshire from the abuse of monopoly practices.

V. Authority to escrow certain moneys due to Public Service Company of New Hampshire is an appropriate exercise of the power granted to the general court by Part II, Article 83 of the New Hampshire constitution to "enact laws to prevent the operations within the state of all persons and associations, and all trusts and corporations, foreign or domestic, and the officers thereof, who

endeavor to raise the price of any article of commerce or to destroy free and fair competition in the trades and industries through combination, conspiracy, monopoly, or any other unfair means; to control and regulate the acts of all such persons, associations, corporations, trusts, and officials doing business within the state; to prevent fictitious capitalization; and to authorize civil and criminal proceedings in respect to all the wrongs herein declared against."

2 New Subdivision; Escrow of Utility Payments. Amend RSA 9 by inserting after section 28 the following new subdivision:

Escrow of Utility Payments

9:29 Withholding of Utility Payments.

I. The governor shall direct the treasurer to withhold up to 15 percent of moneys due to a utility for electric power supply to the state if:

(a) The utility's rates are the subject of a proceeding before the public utilities commission that was commenced more than 12 months previously;

(b) Such proceeding has not concluded due to events outside the control of the public utilities commission and the state;

(c) The public utilities commission has ordered temporary rate reductions pursuant to RSA 378:27;

(d) The governor, based upon information submitted to the public utilities commission relating to the rate case proceeding, finds that the utility has requested only a minor increase in rates or no increase in rates whereas intervenors have represented that the public good requires a substantial additional decrease in rates; and

(e) The amount withheld does not, in the opinion of the governor based upon the considerations in subparagraph (d), put at risk normal operations of the utility in serving its customers.

II. Withholding moneys pursuant to paragraph I shall be presumed to be a matter of sound business practice and in the interest of protecting New Hampshire taxpayers.

III. Upon the withholding of moneys pursuant to paragraph I and the establishment of an escrow account pursuant to RSA 9:30, I, municipalities, businesses, and individual ratepayers may withhold the same percentage of moneys due for electric power supply to the utility designated by the governor pursuant to paragraph I.

9:30 Escrow of Withholdings.

I. The treasurer shall deposit moneys withheld under RSA 9:29, I in a segregated escrow account.

II. Money to be withheld by a ratepayer pursuant to RSA 9:29, III shall be escrowed on a monthly basis either by:

(a) The ratepayer depositing the money in an interest bearing, segregated escrow account established by the ratepayer and notifying the utility of the establishment of the account; or

(b) Upon agreement of the utility and the ratepayer, the utility depositing the money into one segregated escrow account established by the treasurer for the collective withholdings of ratepayers. The utility shall derive such moneys from bill payments made by the participating ratepayers.

III. No utility shall take any action, such as disrupting or threatening to disrupt electric power supply, against a ratepayer because the ratepayer escrows money pursuant to this subdivision.

9:31 Payments From Escrow. Upon conclusion of the rate case proceeding before the public utilities commission or pursuant to a settlement between the utility and the state, payments shall be made, consistent with the rate case or settlement, in the following manner from the specified escrow accounts:

I. RSA 9:30, I, the governor is authorized to draw a warrant for any money in the account to pay any moneys due and owing to the utility; any moneys remaining after payment to the utility shall be deposited into the general fund;

II. RSA 9:30, II(a), the ratepayer shall pay from the account any moneys due and owing to the utility and shall retain the remainder; and

III. RSA 9:30, II(b), the governor is authorized to draw a warrant up to the total amount in the account to be paid over to the utility. The utility shall retain any moneys due and owing to the utility and shall credit the electric bills of participating ratepayers that amount which is due and owing to them.

3 Severability. If any provision of this act or the application thereof to any person or circumstance is held to be invalid, the invalidity shall not affect any other provision or the application of such provision to other persons or circumstances, and to this end the provisions of this act are severable.

4 Effective Date. This act shall take effect upon its passage.

1999-1388h

AMENDED ANALYSIS

This bill requires the governor, under certain circumstances, to direct the treasurer to place up to 15 percent of moneys due to a utility for electric power supply to the state in an escrow account. Upon such action by the governor, other ratepayers may also escrow a percentage of moneys due to the utility.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 314 Date February 3, 1999

Committee Science, Technology and Energy

**** Please Print All Information ****

Name	Address	Phone	Representing	(check one) Pro	Con

Hearing Minutes

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

PUBLIC HEARING ON HB 314

BILL TITLE: relative to universal service.

DATE: February 3, 1999

LOB ROOM: 304 **Time Public Hearing Called to Order:** 11:29 a.m.

Time Adjourned: 12:05 p.m.

(please circle if present)

Committee Members: Reps. J. Bradley, Guay, Rosen, Ham, Howard, Thomas, D. White, Maxfield, Tufts, Arnold, Eaton, Varrell, Grant, Norelli, Lynde, Pitts, Kaen, Gilmore, Bergeron, Densmore and Moriarty.

Bill Sponsors: Rep. Bradley, Carr 8

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Bradley (Sponsor) Still necessary? In view of settlements let subcommittee decide.

David Collins (PSNH) supports. Will talk to subcommittee.

***George Gantz** – supports with changes. Universal service – heart and soul of electric industry. See written testimony for details. Overall idea good.

***James Monahan** (Cabletron) supports. Has proposed amendment.

Thomas Getz (PUC) no position - subcommittee.

Respectfully submitted,

Ralph J. Rosen
Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

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TESTIMONY

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Rep. Bradley - Sponsor
Still necessary? - in view of settlements
let sub-cte. decide

Dave Collins — will talk to sub-cte.

*George Gantz — supports with changes. — Universal Service" = heart and soul of electric industry. See * for details — overall idea good

*James Monahan - Cabletron, has proposed amendment

Tom Getz — sub-comm.

Sub-Committee Minutes

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: March 10, 1999

Subcommittee Members: Reps. Guay, Gilmore, Densmore, Ham, Howard, Lynde, Arnold and Eaton - also present Reps. Maxfield, Grant, Thomas, Bradley, Norelli, Pitts and Moriarty

Comments and Recommendations: Postpone further consideration. Awaiting suggested amendments from industry representative.

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. Harold V. Lynde
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: March 10, 1999

Subcommittee Members: Reps. Guay, Gilmore, Densmore, Ham, Howard, Lynde, Arnold and Eaton

Also present Maxfield, Grant, Thomas, Bradley, Norelli, Pitts, Moriarty

Comments and Recommendations: Postpone further consideration awaiting suggested amendments from industry representative,

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep.
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: March 24, 1999

Subcommittee Members: Reps. Guay, Gilmore, Densmore, Ham, Howard, Lynde, Arnold and Eaton

Comments and Recommendations:

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep.
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: March 30, 1999

Subcommittee Members: Reps. Guay, Gilmore, Densmore, Ham, Howard, Lynde, Arnold and Eaton

Comments and Recommendations: No meeting

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep.
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: April 7, 1999

Subcommittee Members: Reps. Guay, Gilmore, Densmore, ~~Ham~~, Howard, Lynde, Arnold and Eaton Maxfield, Grant, Thomas, Pitts, Morrissey, Bradley, Merrill, Bergeron, White, Sullivan

Comments and Recommendations: Discussed proposed amendment by Jim Monahan + supported by Unitil. Broadens impact of bill w/ policy implications o/a securitization. Will hear comments on proposed amendment from PUC, Gov's Energy Office, PSNH, etc at next meeting

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep.
Subcommittee Chairman/Clerk

4-7-99

- Jim Monahan – Cabletron / Enron – discussed proposed amendment
- Heidi Krol – Gov. Office on Energy – concerned w/ benefits (to all) distribution to stranded cost paid by those on transition service.
- Peter Wells – Unitil – supports Monahan's effort in lieu of proposal from Gov. Gaeta.

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: April 13, 1999

Subcommittee Members: Reps. Guay, Gilmore, ~~Densmore, Ham, Howard,~~ Lynde, Arnold and ~~Eaton~~, Bradley, Sullivan, Thomas, Grant, Maxfield, White, Bergeron

Comments and Recommendations: No meeting Postponed

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. ~~Lawrence Guay~~ Harold Lynde
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: April 20, 1999

Subcommittee Members: Reps. Guay, Gilmore, Densmore, Ham, Howard, Lynde, Arnold and Eaton

Comments and Recommendations:

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. Lawrence Guay
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: April 27, 1999

Subcommittee Members: Reps. Guay, Gilmore, Densmore, Ham, Howard, Lynde, Arnold and Eaton KEAN - BERGERON - WHITE

Comments and Recommendations:

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. Lawrence Guay
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 314

BILL TITLE: relative to universal service.

DATE: May 5, 1999

Subcommittee Members: Reps. Guay, ~~Gilmore~~, Densmore, ~~Ham~~, Howard, Lynde, Arnold and ~~Eaton~~ Bradley, Manarity, White

Comments and Recommendations: Decided to hold bill in abeyance and consider action in conjunction w/ HR 457 and HB 464. [see report on HB 464 for 5-5-99]

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. ~~Lawrence~~ Guay
Subcommittee Chairman/Clerk

H Lynde

Testimony

From James Monahan
Cabletron

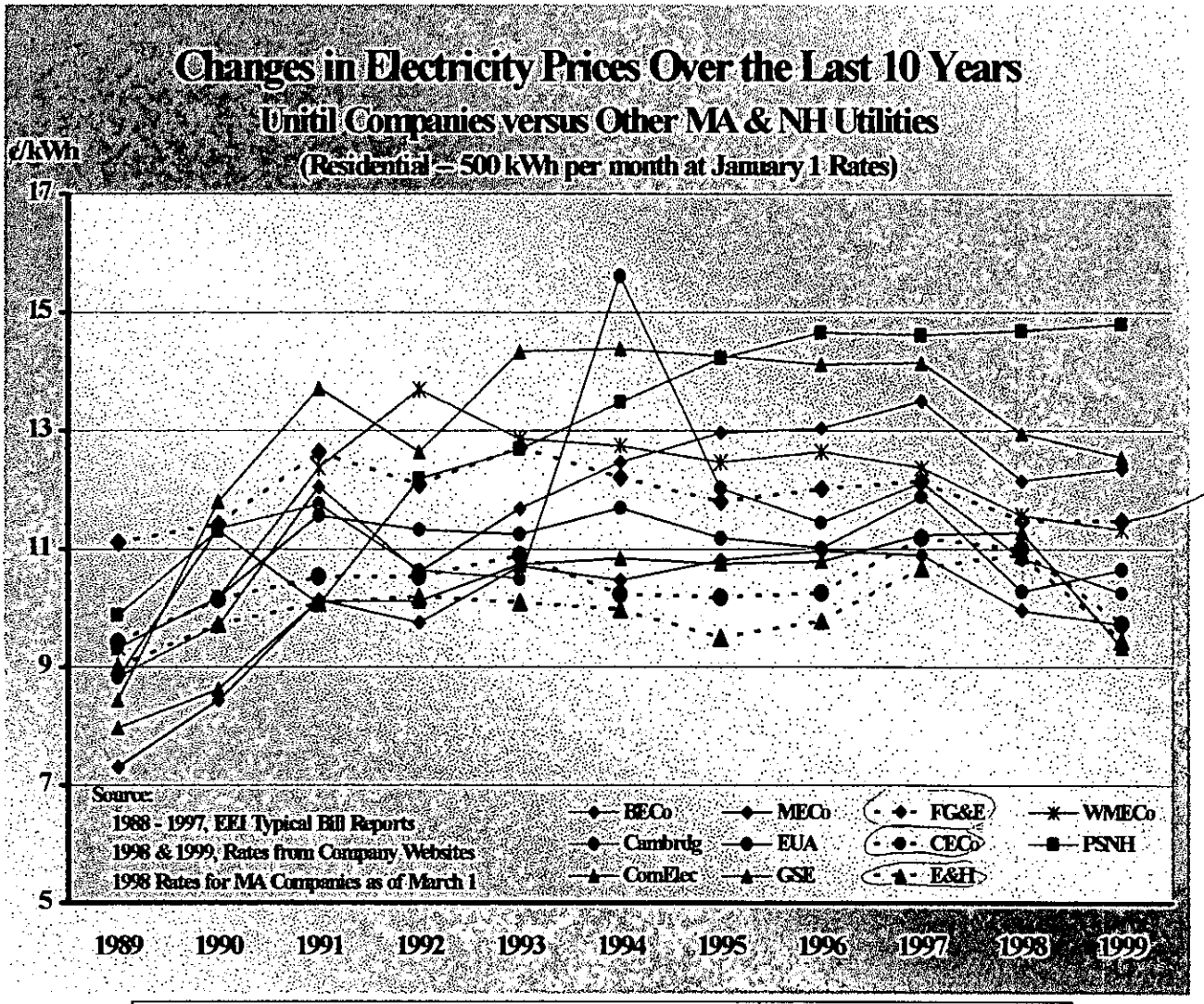
Proposed Amendment to HB 314

New Section

Amend RSA 347-F: 4 IX to read as follows:

IX. An electricity supplier shall be eligible to compete, subject to necessary limitations established by the commission, for open access customers, **as a transition service provider or default service provider** only if affiliated utilities file comparable open access transmission and distribution rates with the FERC or the commission, or both as appropriate, for all of their transmission facilities in New Hampshire and to the extent practicable, all of their distribution facilities in New Hampshire.

File Copy



Company	Cumulative Change Last 10 Years
Public Service Company of New Hampshire	49.9%
Commonwealth Electric Company	48.8%
Boston Edison Company	39.8%
Massachusetts Electric Company	33.1%
Western Massachusetts Electric Company	21.5%
Granite State Electric Company	17.1%
Cambridge Electric Company	16.3%
Eastern Utilities Associates	14.2%
Unitil/Exeter & Hampton Electric	**5.0%**
Unitil/Concord Electric	**3.3%**
Unitil/Fitchburg Gas and Electric Light	**3.3%**

Unitil's comments and proposals on HB 314
February 3, 1999

proposed amendment to HB 314: Disposition of Settlements Agreements

Insert after RSA 374-F:4 I. a new subsection 374-F:4 I.(a) as follows:

In the event an electric utility files with the Commission a proposed restructuring settlement agreement which purports to implement the provisions of RSA 374-F, the Commission shall conduct an investigation on an expedited basis in accordance with its established procedures. In making its determination pertaining to such settlement agreement, the Commission shall first make a determination as to whether the agreement as filed satisfies the requirements of RSA 374-F, is in the public interest, and should be implemented. In its order on such matter, the Commission shall provide its analysis and an explanation of its decision. In the event the Commission rejects such an agreement, it may further indicate any conditions which, if satisfied, would result in acceptance and approval of such agreement by the Commission.

Unitil's comments and proposals on HB 314
February 3, 1999

proposed amendment to HB 314: Stranded Costs

Insert after RSA 374-F:4 V. a new subsection 374-F:4 V.(a) as follows:

In the event an electric utility whose present rates are below regional average rates demonstrates that its proposed stranded cost recovery claim (1) will result in stable or declining stranded cost charges, (2) is limited to a pass through of costs under a FERC filed rate and excludes any profit or return on generation investments by itself or any affiliate, and (3) will pass through to customers the benefits of any future mitigation efforts including divestiture or renegotiation of obligations, then such stranded cost recovery claim shall be deemed equitable, appropriate and balanced, in the public interest, and substantially consistent with the interdependent principles.

Unitil's comments and proposals on HB 314
February 3, 1999

proposed amendment to HB 314: Transition Service

Amend RSA 374-F:3 V(b) to read as follows [reflecting changes from HB314 language]:

(b) As competitive markets emerge, customers should have the option of stable and predictable ceiling prices through a reasonable transition period, consistent with the near term rate relief principle of RSA 374-F:3, XI. Upon the implementation of retail choice, transition service should be available for at least **2-1/2** but not more than **5** years after the start of competition, for customers who have not yet chosen a competitive electricity supplier. Transition service should be **provided from competitively procured supplies** ~~procured through competitive means~~ and may be administered by ~~independent~~ third parties. The price of transition service **should be set at levels sufficiently high to encourage retail competitive markets, and should** ~~may~~ increase over time to encourage customers to choose a competitive electricity supplier during the transition period. **To the extent the revenues from transition service exceed the costs of transition service, including power supply and administrative costs, for a given utility, any excess revenues shall be credited as an offset to stranded cost recovery.** Such transition service should be separate and distinct from default service. **The commission should allow customers who have chosen a competitive generation supplier to return to transition service within the first year of the transition period.**

Unitil's comments and proposals on HB 314
February 3, 1999

proposed amendment to HB 314: Affiliate Standards

Insert after RSA 374-F:4 VII a new subsection 374-F:4 VII(a) as follows:

(a)The commission shall be authorized to issue standards of conduct applicable to utility affiliates serving as competitive retail marketers as required to insure that cross-subsidization of competitive activities by retail distribution companies does not occur and that distribution companies do not engage in anti-competitive behavior. Cross-subsidization is defined as the direct allocation of distribution company funds to the competitive affiliate or the provision of goods, services or information by the distribution company to the competitive affiliate below cost. Compliance by companies affiliated under a holding company structure with the regulation of the SEC pursuant to the Public Utilities Holding Company Act of 1935 shall consitute compliance with this cross-subsidization rule. Anti-competitive behaviors shall be prohibited by requiring that any goods, services, discounts or considerations provided by the distribution company to a customer taking service from its competitive affiliate or directly to the competitive affiliate be offered on a comparable and contemporaneous basis to other competitors. Pursuant to these standards of conduct the Commission shall not regulate the use of names by distribution companies or competitive affiliates but may impose reasonable notification requirements and standards on competitive affiliates to insure that customers are adequately informed.

Unitil's comments and proposals on HB 314
February 3, 1999

proposed amendment to HB 314: Customer Choice of Distribution Provider

Insert after RSA 374-F:3 VI a new subsection 374-F:VI (a) as follows:

It has been recognized by the New Hampshire Supreme Court that franchise boundaries for regulated utilities are not exclusive as a matter of state law. Indeed, the restructuring of the electric industry under RSA 374-F contemplates the elimination of any exclusive franchise as to the provision of retail electric supply. It is the will of the General Court, in furtherance of the principles of free and fair competition, that customers who are physically capable of interconnection to more than one New Hampshire electric utility be allowed to choose which New Hampshire electric utility from whom to take service, and such new electric company shall not require permission or approval of the commission under RSA 374:22 to provide such service. In the event that an existing customer is able to and chooses to switch from one such company to another, then that customer shall be obligated to pay the retail stranded cost charge of the new electric utility company, however the funds collected pursuant to said charge shall be remitted by the new electric utility company to the prior electric utility company.

Draft Amendment to HB 314
Transition Service Issues
James Monahan, The Dupont Group

1. Amend RSA 374-F: 3 V (b) to read as follows:

As competitive markets emerge, customers should have the option of stable and predictable ceiling electricity prices through a reasonable transition period, consistent with the near term rate relief principle of RSA 374-F: 3, XI. Upon the implementation of retail choice, transition service should be available for at least 2 ½ but not more than **5** [4] years after the start of competition, for customers who have not yet chosen a competitive electricity supplier. Transition service should be procured through competitive means and may be administered by independent third parties. The price of transition service **should be set at levels sufficient to encourage retail competitive markets, and may** [should] increase over time to encourage customers to choose a competitive electricity supplier during the transition period. **To the extent the revenues from transition service exceed the cost of transition service, including transition service auction proceeds, power supply and administrative cost, for a given utility, any excess revenues shall be credited as an offset to stranded cost recovery. The cost of administering transition service should be borne by the customers of transition service.** Such transition service should be separate and distinct from default service. **The commission should allow customers who have chosen a competitive generation supplier to return to transition service within the first year of the transition period.**

2. Add: 374-F: 4 Implementation: II a. **Upon the effective date of this chapter, the commission shall undertake a generic proceeding to develop a transition service plan and default service plan accordance with the above principles, and shall, after public hearings, issue a final order no later than September 30, 1999. Such plans may be unique for each electric utility.**

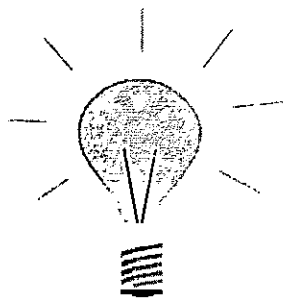
3. Amend existing section 374-F:4 Implementation. III. to read as follows:

The commission shall require all electric utilities subject to its jurisdiction to submit compliance filings, which shall include open access tariffs, **transition service plans, default service plans** and such other information as the commission may require, no later than June 30, 1997. The commission shall investigate and shall approve utility compliance filings, subject to modification by the commission if necessary, after public hearing and subject to a finding that the filings are in the public interest and substantially consistent with the principles established in this chapter.

4. Amend existing section 374-F: 4 Implementation IX to read as follows:

An electricity supplier shall be eligible to compete, subject to necessary limitations established by the commission, for open access customers, **transition service customers and default customers,** only if affiliated utilities file comparable open access transmission and distribution rates with the FERC or the commission, or both as appropriate, for all of their transmission. Facilities in New Hampshire and to the extent practicable, all of their distribution facilities in New Hampshire.

New Hampshire House of Representatives Science, Technology and Energy Committee



1999 Transition Service Overview

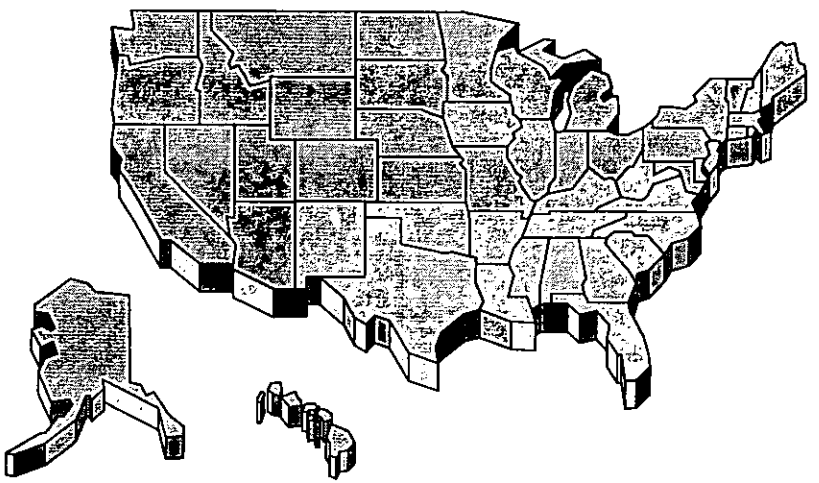
James Monahan
The Dupont Group
March 24, 1999

Issues To Resolve In 1999

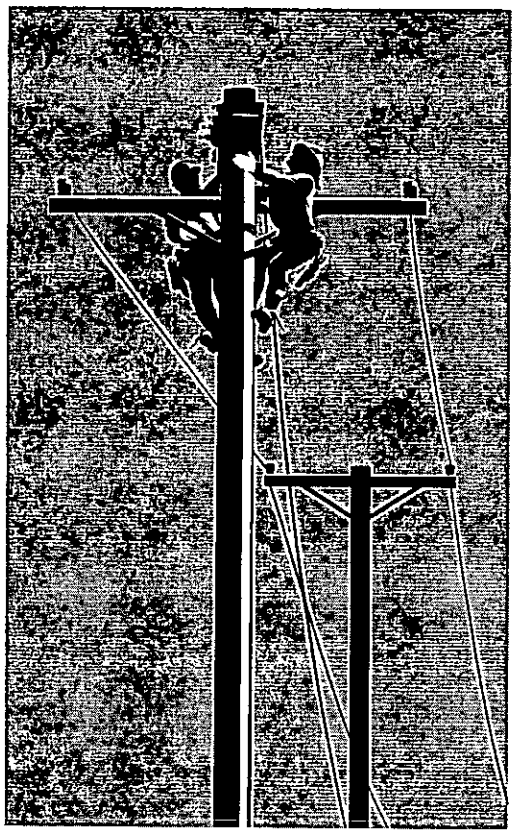
- Financial Issues
  - Stranded Cost Recovery
  - Regulated Transmission and Distribution Rates
  - Risk vs. Benefits of Securitzation
- Policy Issues
  - Transition Service
  - Sale of Generation Assets and Power Contracts
  - Systems Benefits Charges & Programs
  - Market Structure and Conduct Issues

Despite Setbacks, New Hampshire Is Still On The Cutting Edge of Electric Industry Deregulation

- NH market likely to open by the end of 1999
- NH model is apt to be more "open" than other states
- Only 4 (5) states have "opened" to date
  - California
  - Pennsylvania
  - Massachusetts
  - Rhode Island
  - (New York)



NH Can Regain its Leadership Role by Crafting a Market-Based Transition Service



- Learn from Experience of Other States
- Apply Lessons from NH Pilot Program
- Take Direction From Existing State Law

Existing Law on Transition Service

- NH Constitution "Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it"

Existing Law on Transition Service

- RSA 374-F section 1 definitions V. "Transition service" means electricity supply that is available to existing retail customers prior to each customer's first choice of a competitive electricity supplier and to others, as deemed appropriate by the commission.

- RSA 374-F section 3 V(b) As competitive markets emerge, customers should have the option of stable and predictable ceiling electricity prices through a reasonable transition period, consistent with the near term rate relief principle of RSA 374-F:3, XI. Upon the implementation of retail choice, transition service should be available for at least 2 but not more than 4 years after the start of competition, for customers who have not yet chosen a competitive electricity supplier. Transition service should be procured through competitive means and may be administered by independent third parties. The price of transition service should increase over time to encourage customers to choose a competitive electricity supplier during the transition period. Such transition service should be separate and distinct from default service.

Transition Service Principles

Must enhance competition, not retard competition

Different approaches for each Service Territory

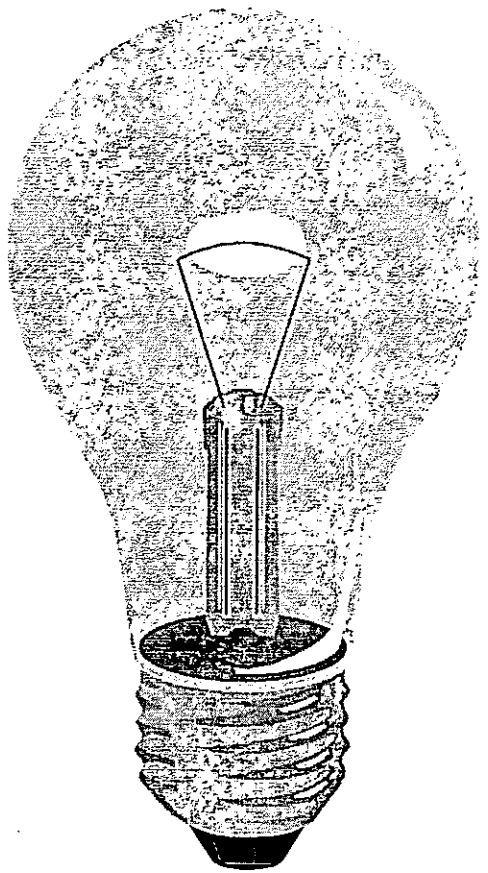
Retail Transaction Regulated by the NHPUC for a $2\frac{1}{2}$ - 5 year duration

Establish a fixed and known price for energy

Use as a tool to educate consumers

NH Timing is Good: Market-Based Wholesale Market Will Be Fully Operational in 1999

- Seven Products
  - Energy
  - Installed Capability
  - Operable Capability
  - Ten-minute spinning reserve
  - Ten-minute non-spinning reserve
  - Thirty-minute operating reserve
  - Automatic generation control



Stranded Cost Buy-Down Proposal

- Transition service is bid competitively by the NHPUC (or its independent agent)
- Suppliers submit bids on the basis of a dollar amount they are willing to pay for the right to serve at a pre-determined capped rate
- NHPUC established retail market rate
- Auction proceeds go directly toward reducing stranded cost recovery

Stranded Cost Buy-Down Proposal -- continued

- Customers are free to choose an alternative supplier
- Transition service provider is free to market service
- Transition service price can be reduced, but not raised above the cap
- Combine Default and Transition Service bids

Stranded Cost Buy-Down Proposal Benefits

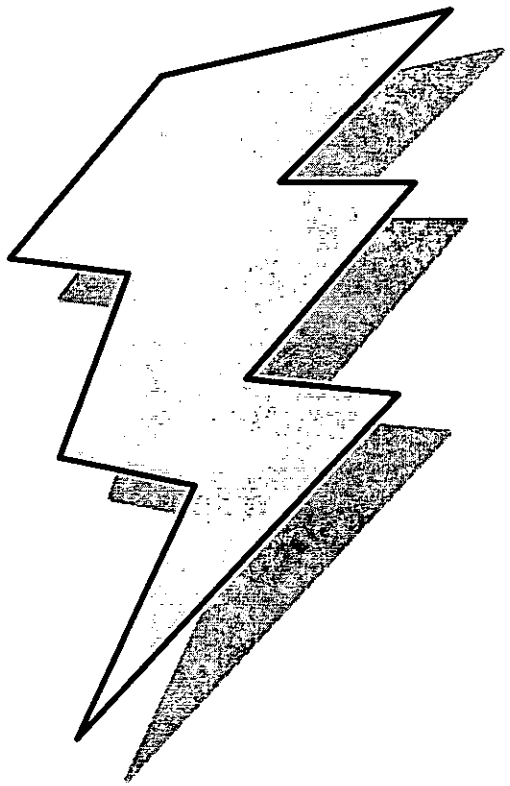
- The value of the customer base is used by the customers to reduce stranded costs
- Customers receive a real choice in the retail market because competitors exist
- Price of transition service is known and measurable before auction
- Leverages "single pipe" value in NH

Stranded Cost Buy-Down Proposal -- Additional Details to Work Out

- Estimation of the value of stranded cost buy down
- How to manage special contract customers in transition service
- Market Rules & Code of Conduct
- Determine the appropriate forum to finalize transition service

Forums?

- NH General Court
- NHPUC: DR 96-150: Compliance Filings
- Settlement



Next Steps:

- Determine the Role of the Legislature in Creating Transition Service
- Draft Amendment to HB 314 -- How prescriptive?
- Possible Public Hearing
- Possible Presentation to Oversight Committee
- File Transition Service Plan with NHPUC?

UNITIL PROPOSAL RELATIVE TO UNIVERSAL SERVICE

Customer Choice of Distribution Provider

Background:

- In 1994, Exeter & Hampton Electric was contacted by a manufacturing company located just over the Exeter border in Newfields regarding the possibility of taking electric service from E&H rather than PSNH. The customer's property includes land in Exeter. The Company developed a detailed proposal and cost estimates for the customer based upon an initial favorable finding and encouragement by PUC Staff.
- In 1995(?), the New Hampshire Supreme Court ruled that the grant of a franchise in New Hampshire was not exclusive as a matter of law, and that the PUC therefore has the discretion to alter, amend or otherwise change the exclusive franchises that it has granted to utilities.
- In October 1996, the customer and E&H filed a joint petition with the NHPUC requesting a declaratory ruling regarding the customer's right to take service from E&H. The Commission ordered hearings, which were eventually held in May and June, 1997. The petition was opposed by most utilities and supported by Commission Staff.
- In September, 1997, the Commission issued an order rejecting the petition, essentially saying that the "public interest" outweighs the rights of the customer to choose an otherwise legally permissible alternative distribution service provider.
- The Commission order instructed Commission Staff to try and negotiate some improved rates for the customer with PSNH in recognition of their financial hardship and important contribution to the economy of the state.

Proposal:

- Allow customers who are physically capable of interconnection to more than one New Hampshire distribution utility the right to choose which company they take service from. In the case of existing customers who switch distribution providers, any stranded cost charges collected from the customer would be remitted to the originating utility.

Benefits of this proposal include the following:

- Border customers will be provided with the opportunity to choose their distribution provider, thus providing added incentives for distribution companies to control their costs and reduce their rates to all customers.
- Business customers who reduce their costs by changing distribution providers will be more competitive thus providing economic benefits to the state. New businesses seeking to avail themselves of low distribution rates available in certain parts of the state will have added siting flexibility.
- Existing customers of distribution companies will be protected against stranded cost shifting by having the stranded cost charge credit for customers who switch distribution providers.

State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

TDD Access: Relay NH
1-800-735-2964

COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

MEMORANDUM

TO: **Science, Technology and Energy Committee**

FROM: **Rep. Gary R. Gilmore**
39 Middle Road, Dover, NH 03820-4168
(603) 742-3309

DATE: **May 21, 1999**

SUBJ: **Amendments to HB 314, an act relative to universal service.**

Enclosed you will find two amendments to HB 314. The amendments have the same language with one exception:

- Amendment 1999-1389h (Gilmore, Bradley, Thomas) sets the amount that can be escrowed as up to 10 percent.
- Amendment 1999-1388h (Gilmore, Lynde, Maxfield, Howard) sets the amount that can be escrowed as up to 15 percent.

In all other ways, the two amendments are identical to the version discussed the last week of April and includes the changes that were suggested at that subcommittee meeting.

Should you have any questions, please do not hesitate to contact me.

GRG/laz
Enclosures

Rep. Gilmore, Straf. 11
Rep. Bradley, Carr. 8
Rep. Thomas, Belk. 3
May 21, 1999
1999-1389h
08/10

Amendment to HB 314

Amend the title of the bill by replacing it with the following:

AN ACT relative to the escrowing of certain utility payments.

Amend the bill by replacing all after the enacting clause with the following:

1 Findings. The general court finds that:

I. New Hampshire has the highest average electric rates in the nation and such rates are unreasonably high. The general court also finds that electric rates for most citizens may further increase during the remaining years of the Public Service Company of New Hampshire rate agreement and that there is a wide rate disparity in electric rates both within New Hampshire and as compared to the region. The general court finds that this combination of facts has a particularly adverse impact on a majority of New Hampshire citizens.

II. New Hampshire's extraordinarily high electric rates disadvantage all classes of customers: industries, small businesses, and captive residential and institutional ratepayers and do not reflect an efficient industry structure. The general court further finds that these high rates are causing businesses to consider relocating or expanding out of state and are a significant impediment to economic growth and new job creation in this state.

III. In 1997, Public Service Company of New Hampshire was scheduled to return to traditional ratemaking and was directed by the public utilities commission to participate in a rate case proceeding pursuant to the agreement between the state of New Hampshire and Northeast Utilities.

IV. Although a rate case proceeding was commenced, such rate case proceeding has not been concluded and is presently enjoined by a Federal Court at the request of Public Service Company of New Hampshire, thereby preventing the state from exercising its appropriate police powers to protect the citizens of New Hampshire from the abuse of monopoly practices.

V. Authority to escrow certain moneys due to Public Service Company of New Hampshire is an appropriate exercise of the power granted to the general court by Part II, Article 83 of the New Hampshire constitution to "enact laws to prevent the operations within the state of all persons and associations, and all trusts and corporations, foreign or domestic, and the officers thereof, who

endeavor to raise the price of any article of commerce or to destroy free and fair competition in the trades and industries through combination, conspiracy, monopoly, or any other unfair means; to control and regulate the acts of all such persons, associations, corporations, trusts, and officials doing business within the state; to prevent fictitious capitalization; and to authorize civil and criminal proceedings in respect to all the wrongs herein declared against."

2 New Subdivision; Escrow of Utility Payments. Amend RSA 9 by inserting after section 28 the following new subdivision:

Escrow of Utility Payments

9:29 Withholding of Utility Payments.

I. The governor shall direct the treasurer to withhold up to 10 percent of moneys due to a utility for electric power supply to the state if:

(a) The utility's rates are the subject of a proceeding before the public utilities commission that was commenced more than 12 months previously;

(b) Such proceeding has not concluded due to events outside the control of the public utilities commission and the state;

(c) The public utilities commission has ordered temporary rate reductions pursuant to RSA 378:27;

(d) The governor, based upon information submitted to the public utilities commission relating to the rate case proceeding, finds that the utility has requested only a minor increase in rates or no increase in rates whereas intervenors have represented that the public good requires a substantial additional decrease in rates; and

(e) The amount withheld does not, in the opinion of the governor based upon the considerations in subparagraph (d), put at risk normal operations of the utility in serving its customers.

II. Withholding moneys pursuant to paragraph I shall be presumed to be a matter of sound business practice and in the interest of protecting New Hampshire taxpayers.

III. Upon the withholding of moneys pursuant to paragraph I and the establishment of an escrow account pursuant to RSA 9:30, I, municipalities, businesses, and individual ratepayers may withhold the same percentage of moneys due for electric power supply to the utility designated by the governor pursuant to paragraph I.

9:30 Escrow of Withholdings.

I. The treasurer shall deposit moneys withheld under RSA 9:29, I in a segregated escrow account.

II. Money to be withheld by a ratepayer pursuant to RSA 9:29, III shall be escrowed on a monthly basis either by:

(a) The ratepayer depositing the money in an interest bearing, segregated escrow account established by the ratepayer and notifying the utility of the establishment of the account; or

(b) Upon agreement of the utility and the ratepayer, the utility depositing the money into one segregated escrow account established by the treasurer for the collective withholdings of ratepayers. The utility shall derive such moneys from bill payments made by the participating ratepayers.

III. No utility shall take any action, such as disrupting or threatening to disrupt electric power supply, against a ratepayer because the ratepayer escrows money pursuant to this subdivision.

9:31 Payments From Escrow. Upon conclusion of the rate case proceeding before the public utilities commission or pursuant to a settlement between the utility and the state, payments shall be made, consistent with the rate case or settlement, in the following manner from the specified escrow accounts:

I. RSA 9:30, I, the governor is authorized to draw a warrant for any money in the account to pay any moneys due and owing to the utility; any moneys remaining after payment to the utility shall be deposited into the general fund;

II. RSA 9:30, II(a), the ratepayer shall pay from the account any moneys due and owing to the utility and shall retain the remainder; and

III. RSA 9:30, II(b), the governor is authorized to draw a warrant up to the total amount in the account to be paid over to the utility. The utility shall retain any moneys due and owing to the utility and shall credit the electric bills of participating ratepayers that amount which is due and owing to them.

3 Severability. If any provision of this act or the application thereof to any person or circumstance is held to be invalid, the invalidity shall not affect any other provision or the application of such provision to other persons or circumstances, and to this end the provisions of this act are severable.

4 Effective Date. This act shall take effect upon its passage.

1999-1389h

AMENDED ANALYSIS

This bill requires the governor, under certain circumstances, to direct the treasurer to place up to 10 percent of moneys due to a utility for electric power supply to the state in an escrow account. Upon such action by the governor, other ratepayers may also escrow a percentage of moneys due to the utility.

Rep. Gilmore, Straf. 11
Rep. Lynde, Hills. 24
Rep. Maxfield, Merr. 9
Rep. Howard, Carr. 10
May 21, 1999
1999-1388h
08/10

Amendment to HB 314

Amend the title of the bill by replacing it with the following:

AN ACT relative to the escrowing of certain utility payments.

Amend the bill by replacing all after the enacting clause with the following:

1 Findings. The general court finds that:

I. New Hampshire has the highest average electric rates in the nation and such rates are unreasonably high. The general court also finds that electric rates for most citizens may further increase during the remaining years of the Public Service Company of New Hampshire rate agreement and that there is a wide rate disparity in electric rates both within New Hampshire and as compared to the region. The general court finds that this combination of facts has a particularly adverse impact on a majority of New Hampshire citizens.

II. New Hampshire's extraordinarily high electric rates disadvantage all classes of customers: industries, small businesses, and captive residential and institutional ratepayers and do not reflect an efficient industry structure. The general court further finds that these high rates are causing businesses to consider relocating or expanding out of state and are a significant impediment to economic growth and new job creation in this state.

III. In 1997, Public Service Company of New Hampshire was scheduled to return to traditional ratemaking and was directed by the public utilities commission to participate in a rate case proceeding pursuant to the agreement between the state of New Hampshire and Northeast Utilities.

IV. Although a rate case proceeding was commenced, such rate case proceeding has not been concluded and is presently enjoined by a Federal Court at the request of Public Service Company of New Hampshire, thereby preventing the state from exercising its appropriate police powers to protect the citizens of New Hampshire from the abuse of monopoly practices.

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endeavor to raise the price of any article of commerce or to destroy free and fair competition in the trades and industries through combination, conspiracy, monopoly, or any other unfair means; to control and regulate the acts of all such persons, associations, corporations, trusts, and officials doing business within the state; to prevent fictitious capitalization; and to authorize civil and criminal proceedings in respect to all the wrongs herein declared against."

2 New Subdivision; Escrow of Utility Payments. Amend RSA 9 by inserting after section 28 the following new subdivision:

Escrow of Utility Payments

9:29 Withholding of Utility Payments.

I. The governor shall direct the treasurer to withhold up to 15 percent of moneys due to a utility for electric power supply to the state if:

(a) The utility's rates are the subject of a proceeding before the public utilities commission that was commenced more than 12 months previously;

(b) Such proceeding has not concluded due to events outside the control of the public utilities commission and the state;

(c) The public utilities commission has ordered temporary rate reductions pursuant to RSA 378:27;

(d) The governor, based upon information submitted to the public utilities commission relating to the rate case proceeding, finds that the utility has requested only a minor increase in rates or no increase in rates whereas intervenors have represented that the public good requires a substantial additional decrease in rates; and

(e) The amount withheld does not, in the opinion of the governor based upon the considerations in subparagraph (d), put at risk normal operations of the utility in serving its customers.

II. Withholding moneys pursuant to paragraph I shall be presumed to be a matter of sound business practice and in the interest of protecting New Hampshire taxpayers.

III. Upon the withholding of moneys pursuant to paragraph I and the establishment of an escrow account pursuant to RSA 9:30, I, municipalities, businesses, and individual ratepayers may withhold the same percentage of moneys due for electric power supply to the utility designated by the governor pursuant to paragraph I.

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II. RSA 9:30, II(a), the ratepayer shall pay from the account any moneys due and owing to the utility and shall retain the remainder; and

III. RSA 9:30, II(b), the governor is authorized to draw a warrant up to the total amount in the account to be paid over to the utility. The utility shall retain any moneys due and owing to the utility and shall credit the electric bills of participating ratepayers that amount which is due and owing to them.

3 Severability. If any provision of this act or the application thereof to any person or circumstance is held to be invalid, the invalidity shall not affect any other provision or the application of such provision to other persons or circumstances, and to this end the provisions of this act are severable.

4 Effective Date. This act shall take effect upon its passage.

1999-1388h

AMENDED ANALYSIS

This bill requires the governor, under certain circumstances, to direct the treasurer to place up to 15 percent of moneys due to a utility for electric power supply to the state in an escrow account. Upon such action by the governor, other ratepayers may also escrow a percentage of moneys due to the utility.

Voting Sheets

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 314

BILL TITLE: **relative to universal service.**

DATE: May 25, 1999

LOB ROOM: 304

Amendments:

Sponsor: Rep. Gilmore	OLS Document #:	1388h	Adopted
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

Motions: (OTP) OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Guay

Seconded by Rep. Gilmore

Vote: 13-2 (Please attach record of roll call vote.)

Motions: OTP, (OTP/A) ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Gilmore

Seconded by Rep. Guay

Vote: 16-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: No

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Ralph J. Rosen, Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 314

BILL TITLE: **relative to universal service.**

DATE: May 25, 1999

LOB ROOM: 304

Amendments:

Sponsor: Rep. Gilmore OLS Document #: 1388

Sponsor: Rep. OLS Document #: Blurb

Sponsor: Rep. OLS Document #: Gilmore

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Gray

Seconded by Rep. Gilmore

Vote: (Please attach record of roll call vote.)

~~15~~ 13-2

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Gilmore

Seconded by Rep. Gray

Vote: (Please attach record of roll call vote.)

16-0

CONSENT CALENDAR VOTE: NO

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Ralph J. Rosen, Clerk

SCIENCE, TECHNOLOGY AND ENERGY 1999 SESSION

Bill # HB-314 as amended

Public Hearings _____ Executive Session 25 May

COMMITTEE REPORT: OTP/A

	YEAS	NAYS
Bradley, Jeb E, Chairman	✓	
Guay, Lawrence J, V Chairman	✓	
Rosen, Ralph J, Clerk	✓	
Ham, Bonnie D		
Howard, Godfrey G	✓	
Thomas, John H	✓	
White, Donald B	✓	
Maxfield, Roy D	✓	
Tufts, J Arthur		
Arnold, Thomas I, Jr		
Eaton, Stephanie	✓	
Varrell, Thomas A		
Grant, Kenneth R		
Sullivan, P Judith	✓	
Norelli, Terie T		
Lynde, Harold V	✓	
Pitts, Jacqueline A	✓	
Kaen, Naida L	✓	
Gilmore, Gary R	✓	
Bergeron, Lucien G	✓	
Densmore, Jessica E	✓	
Moriarty, Mary M	✓	
TOTAL VOTE	16	0

Appeared in Favor	Appeared in Opposition

SCIENCE, TECHNOLOGY AND ENERGY 1999 SESSION

Bill # HB-314 Amend 1388

Public Hearings _____ Executive Session 25 May

COMMITTEE REPORT: OTP

	YEAS	NAYS
Bradley, Jeb E, Chairman		✓
Guay, Lawrence J, V Chairman	✓	
Rosen, Ralph J, Clerk	✓	
Ham, Bonnie D	✓	
Howard, Godfrey G	✓	
Thomas, John H	✓	
White, Donald B	✓	
Maxfield, Roy D	✓	
Tufts, J Arthur	✓	
Arnold, Thomas I, Jr	✓	
Eaton, Stephanie	✓	
Varrell, Thomas A	✓	
Grant, Kenneth R	✓	
Sullivan, P Judith	✓	
Norelli, Terie T	✓	
Lynde, Harold V	✓	
Pitts, Jacqueline A	✓	
Kaen, Naida L		✓
Gilmore, Gary R	✓	
Bergeron, Lucien G	✓	
Densmore, Jessica E	✓	
Moriarty, Mary M	✓	
TOTAL VOTE	~~15~~ 13	2

Appeared in Favor | Appeared in Opposition

Committee Report

COMMITTEE REPORT

COMMITTEE: **Science, Technology and Energy**

BILL NUMBER: **HB 314**

TITLE: relative to universal service.

DATE: May 25, 1999 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ RE-REFER

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

As part of the 1989 rate agreement with Northeast Utilities, Public Service Company of New Hampshire (PSNH) was to return to traditional ratemaking in 1997. The rate case to determine PSNH's appropriate electric rates has been repeatedly postponed, most recently when PSNH went to Federal Court in Rhode Island and implied that this rate case was part of electric restructuring. This legislation allows the Governor, under certain circumstances, to establish an escrow account withholding up to 15% of the utility's electric bill. Upon such action by the Governor, other ratepayers of that utility may also escrow the same percentage of moneys due to that utility. It is hoped by the committee that this legislation will be unnecessary, that either PSNH will enter into a settlement with the state or that the rate case will occur and be adhered to. However, the committee feels that it is prudent and necessary that this legislation be enacted to prevent past delays from occurring once again.

Vote 16-0.

Rep. Gary R. Gilmore
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Science, Technology and Energy

HB 314, relative to universal service. OUGHT TO PASS WITH AMENDMENT

Rep. Gary R. Gilmore for **Science, Technology and Energy:** As part of the 1989 rate agreement with Northeast Utilities, Public Service Company of New Hampshire (PSNH) was to return to traditional ratemaking in 1997. The rate case to determine PSNH's appropriate electric rates has been repeatedly postponed, most recently when PSNH went to Federal Court in Rhode Island and implied that this rate case was part of electric restructuring. This legislation allows the Governor, under certain circumstances, to establish an escrow account withholding up to 15% of the utility's electric bill. Upon such action by the Governor, other ratepayers of that utility may also escrow the same percentage of moneys due to that utility. It is hoped by the committee that this legislation will be unnecessary, that either PSNH will enter into a settlement with the state or that the rate case will occur and be adhered to. However, the committee feels that it is prudent and necessary that this legislation be enacted to prevent past delays from occurring once again. Vote 16-0.

COMMITTEE REPORT

COMMITTEE: **Science, Technology and Energy**

BILL NUMBER: **HB 314**

TITLE: relative to universal service.

DATE: May 25, 1999 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ RE-REFER

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

As part of the 1989 Northeast Utilities with Rate Agreement, Public Service Company of New Hampshire (PSNH) was to return to traditional ratemaking in 1997. The rate case to determine PSNH's appropriate electric rates has been repeatedly postponed, most recently when PSNH went to federal court in Rhode Island and implied that this rate case was part of electric restructuring. This legislation allows the Governor, under certain circumstances, to establish an escrow account withholding up to 15% of the utility's electric bill. Upon such action by the Governor, other ratepayers of that utility may also escrow the same percentage of moneys due to that utility. It is hoped by the committee that this legislation will be unnecessary, that either PSNH will enter into a settlement with the state or that the rate case will occur and be adhered to. But the committee feels that it is prudent and necessary that this legislation be enacted to prevent past delays from occurring once again.

Hon Sewes,

Vote 16-0.

Rep. Gary R. Gilmore
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

As part of the 1989 NU Agreement PSNH was to return to traditional Ratemaking in 1997. The rate case to determine PSNH's appropriate ~~rates~~ electric rates has been repeatedly postponed, most recently ~~this spring~~ when PSNH went to federal court in Rhode Island and implied that this rate case was part of electric Restructuring. This legislation allows the governor, under certain circumstances, to establish an escrow account withholding up to 15% of the ~~states~~ utility's electric bill ~~for the state for that month~~. Upon such action by the governor, other ratepayers of that utility may also escrow the same percentage of moneys due to that utility. It is hoped by the committee that this legislation

will be unnecessary, that either PSNH will enter into a settlement with the state or that the Rate case will occur and be adhered to. But the committee feels that it is prudent and necessary that this legislation be enacted to prevent past delays from occurring once again.