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August 13, 2019

The Honorable Mary Jane Wallner, Chairman  
Fiscal Committee of the General Court  
State House  
Concord, NH 03301

His Excellency, Governor Christopher T. Sununu  
and the Executive Council  
State House  
Concord, NH 03301

**REQUESTED ACTION**

Pursuant to the provisions of Chapter 145, subparagraph I, (a), Laws of 2019, the Public Utilities Commission requests authorization to exceed the 3/12 limitation of said resolution for the accounts listed on the attached analysis, in the total amount of **\$16,326**, to the extent shown as projected deficits for the period of Fiscal Committee and Governor and Council approval through September 30, 2019. **100% Other Funds**

**PERSONAL SERVICES PERMANENT - 100% Other Fund**

Account	Division	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
02-81-81-810010-28120000	Commission - PUC Classified	050	5,084	20,250	(15,166)
	Other Funding		5,084	20,250	(15,166)

**BENEFITS - 100% Other Fund**

Account	Division	Class	Cont. Res. Budget	Estimated Expenditures	Projected Deficit
02-81-81-810010-28120000	Commission PUC -Classified	060	389	1,549	(1,160)
	Other Funding		389	1,549	(1,160)
	<b>Total - Other Funding</b>		<b>5,473</b>	<b>21,799</b>	<b>(16,326)</b>

**EXPLANATION**

The Public Utilities Commission (PUC) respectfully requests that above expenditure classes in specific accounting units be increased for the amounts noted, in excess of the 3/12 limitation established pursuant to Chapter 145, subparagraph I, (a), Laws of 2019.

The deficits projected through the end of the continuing resolution, September 30, 2019, are the result of anticipated payroll and benefit obligations, which will exceed the 25% level of funding for FY 2019, as reflected in the PUC agency budget request for the FY 2020-2021 biennium.

The Commission currently has before it two electric utility rate cases and an investigation into the modernization of the electric grid that require extensive review and analysis of a wide range of complex issues with a number of interveners. All three proceedings require expert attorney and analyst support. Because there is invariably a long and steep learning curve to develop an understanding of utility rate making, regulation, and distribution system planning, the Commission re-hired into part-time positions, three recently retired individuals at a level of pay that is comparable to their salary on retirement. These positions are required until new hires are in place and able to participate fully on these cases.

Listed below are answers to standard questions required of all Fiscal Committee item requests, related to RSA 9:16-a, "Transfers authorized", RSA 14:30-a, VI "Expenditure of funds over \$100,000 from any Non State Source," or RSA 124:15, "Positions Authorized", or both, and all emergency requests pursuant to "Chapter 145, subparagraph I, (a), Laws of 2019, making temporary appropriations for the expenses and encumbrances of the State of New Hampshire":

1. *Is the action required of this request a result of the Continuing Resolution for FY 2020? Yes, this request is a result of the Continuing Resolution.*
2. *If this request is retroactive what is the significance and importance of the action being effective from an earlier date?* The part time positions are currently filled as the rate cases began in April 2019 and the current phase of the multi-year grid modernization investigation began in February 2019. The individuals hired are key to the successful resolution of these matters which are not expected to conclude until early next year.
3. *Is this a previously funded and ongoing program established through Fiscal Committee and Governor and Executive Council action? (If so, include as an attachment the original documents as approved and cite the specific dates of authorization and end dates for each action as part of your answer to this question.)* This request is not related to prior Fiscal Committee and/or Governor and Council action.
4. *Was funding for this program included in the FY 2018-2019 enacted Budget or requested and denied?* Funding for part-time salaries and benefits was requested and authorized in the FY 2018-2019 enacted budget. What was not anticipated was the simultaneous request for rate approvals that have statutory deadlines and places demands on our permanent staff beyond their capacity. Likewise, vacancies in permanent staff in the Electric Division have made managing the scope and complexity of the grid modernization investigation exceedingly difficult.
5. *Is this program in total or in part, included in the vetoed FY 2020-2021 Operating Budget proposal currently pending for your department, or was it requested and denied?* The funding needs to support the part-time temporary salaries and benefits for the PUC were requested and included in the FY 2020-2021 Operating Budget proposal currently pending; however due to recent demands from the rate cases and grid modernization, we will need the entire budget this first quarter of FY20.
6. *Does this program include, either positions or consultants, and if so are the positions filled, vacant, or have offers pending? (Please provide details for each position and note whether*

*consultant contracts have been awarded.)* This request is the result of the need for additional funding to support filled part-time temporary position costs associated with the seven pay periods of the Continuing Resolution and other expected payroll anomalies, which occur annually.

**7. What would be the effect should this program be discontinued or not initiated as a result of this request being denied?** The State is obligated to make payment to individuals for the work that they perform on our behalf. The denial of the request would necessitate that the PUC return to Fiscal Committee with a transfer request compiled from any allowable expenditure class line with identical funding to mitigate the anticipated shortfalls in these part-time temporary salary and benefit lines.

Respectfully submitted,



Martin P. Honigberg  
Chairman