



MARGARET WOOD HASSAN
GOVERNOR

STATE OF NEW HAMPSHIRE
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March 13, 2015

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Office of Energy and Planning (OEP) to enter into a Memorandum of Understanding with the Department of Justice (DOJ), Vendor # 177877, Concord, NH in the amount of \$90,000.00 for litigation assistance in pending NH Public Utilities Commission dockets, effective March 25, 2015 upon Governor & Council approval through June 30, 2016. 90% Federal Funds/10% Other Funds (PVE).

Funding is available in the following accounts, with the authority to adjust encumbrances in each of the state fiscal years through the Budget Office, if needed and justified:

	<u>FY 2015</u>	<u>FY 2016</u>
<u>Office of Energy & Planning, State Energy Programs</u>		
01-02-02-024010-65100000		
102-500731 Contracts for Program Services	\$40,000.00	\$ 6,000.00
103-502664 Contracts for Op Services	\$30,000.00	\$ 5,000.00
<u>Office of Energy & Planning, Petroleum Violation Escrow</u>		
01-02-02-024010-12050000		
103-502664 Contracts for Op Services	\$ 7,000.00	\$ 2,000.00

EXPLANATION

The intent of this agreement is to provide funding for DOJ to provide litigation support and expert witness services for OEP in dockets pending at the NH Public Utilities Commission. Specifically, OEP is a party to a legislatively required docket to determine whether it is in the ratepayers' interests to require Public Service Company of New Hampshire d/b/a Eversource Energy ("PSNH") to divest its generation fleet, and has been involved in settlement negotiations that also address a pending docket considering PSNH's request for cost recovery of the \$422 million mercury scrubber at the Merrimack Station in Bow. In order to participate in these dockets OEP requires the assistance of expert witnesses that have financial and utility management experience. In addition, the recently announced settlement agreement between PSNH and state officials that would resolve these pending dockets requires expert assistance to develop a full settlement agreement, related testimony and analysis, and other related activities.

The MOU provides funding to reimburse DOJ for the costs of retaining expert economic and utility management professional services for litigation support and expert testimony in pending proceedings before the NH Public Utilities Commission.

In the event that Federal and Other Funds become no longer available, General Funds will not be requested to support this program.

Sincerely,



Meredith A. Hatfield
Director
Office of Energy and Planning



Joseph Foster
Attorney General
Department of Justice

**MEMORANDUM OF UNDERSTANDING
BETWEEN
OFFICE OF ENERGY AND PLANNING
AND
DEPARTMENT OF JUSTICE**

A. Agreement

This Memorandum of Understanding (“MOU”) between the New Hampshire Office of Energy and Planning (hereinafter “OEP”) and the New Hampshire Department of Justice (hereinafter “DOJ”) sets forth the terms and conditions whereby OEP will pay for DOJ’s costs associated with the retention of professional expert services to support OEP’s legal representation of OEP in pending proceedings before the New Hampshire Public Utilities Commission (hereinafter “PUC”), including Docket No. DE 14-238, Determination Regarding PSNH Generating Assets, and associated settlement negotiations.

B. Contracting

DOJ will be responsible for establishing and maintaining the direct contractual relationship with an expert consultant.

C. Scope of Work

1. DOJ shall select a qualified expert consultant subject to OEP’s approval and retain said consultant for professional expert services in relation to pending proceedings before the PUC in Docket No. DE 14-238 and associated settlement negotiations. DOJ shall be responsible for directing and reviewing the consultant’s work, which may include, but not be limited to, the following:
 - a. Assist DOJ in facilitating meetings with relevant stakeholders and parties
 - b. Review PUC filings of the parties and provide analysis as needed;
 - c. Provide expert testimony before the PUC;
 - d. Assist in the development of positions and settlement proposals, if appropriate; and
 - e. Other related tasks as assigned.

D. Payment for Services

Up to \$90,000 of funds may be used by DOJ to secure expert services in support of DOJ’s representation of OEP before the PUC. Funding is 90% Federal Funds; 10% Other Funds, and shall be drawn from the following OEP accounts: Petroleum Violation Escrow: 01-02-02-024010-12050000-103-502664, Contracts for Op Services (\$9,000.00); State Energy Programs: 01-02-02-024010-65100000-102-500731, Contracts for Program Services (\$46,000.00); State Energy Programs: 01-02-02-024010-65100000-103-502664, Contracts for Op Services (\$35,000.00). To the extent that Federal Funds

and Other Funds are no longer available, OEP will promptly notify DOJ and this MOU may be terminated as set forth in Section G, below.

Pursuant to its contract with the selected expert consultant, DOJ shall ensure that the consultant provides DOJ with appropriate documentation justifying expenses under this MOU which could include time sheets, invoices, receipts, and other similar information. OEP shall have access to all such documentation. OEP shall reimburse DOJ within 30 days of a receipt of any invoice or other request for payment from DOJ.

E. Evaluation

The services provided by the selected consultant must be satisfactory to OEP and the DOJ. In the event that OEP determines that the services are not provided in a satisfactory manner, OEP shall report its concerns to the DOJ, and the DOJ shall take appropriate action to address these concerns. The DOJ reserves the right to terminate the consultant's contract if necessary upon consultation with OEP.

F. Miscellaneous

This MOU makes up the entire understanding between the parties. Neither party may further modify or amend the terms of this MOU except by written agreement signed by both parties.

Neither this MOU, nor any rights, duties, or obligations described herein, shall be assigned by either party hereto without the prior written consent of the other party. This Agreement shall be construed under the laws of the state of New Hampshire. Nothing herein shall function or be construed as a waiver of sovereign immunity, such immunity being hereby specifically reserved.

G. Duration

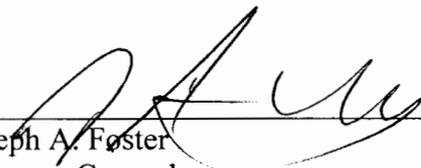
This agreement will become effective March 25, 2015, upon approval by Governor and Council, and shall continue until June 30, 2016, subject to continued availability of funds. This MOU may be terminated by either party with 90 days notice.



Meredith A. Hatfield, Director
N.H. Office of Energy and Planning

3/13/15

Date



Joseph A. Foster
Attorney General

3/13/15

Date

Approved by the Office of the Attorney General for form, substance and execution.



Attorney

3/13/15

Date

I hereby certify that the foregoing agreement was approved by the Governor and Council of the State of New Hampshire at their meeting on _____, _____.

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____