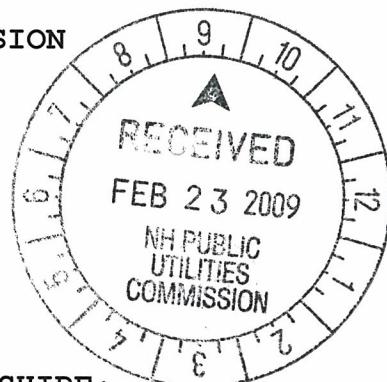


## STATE OF NEW HAMPSHIRE

## PUBLIC UTILITIES COMMISSION



February 5, 2009 - 1:35 p.m.  
Concord, New Hampshire

RE: DE 08-135  
PUBLIC SERVICE OF NEW HAMPSHIRE:  
Public Service of New Hampshire's Tariff  
Filing to Propose a New Line Extension  
Policy. (Prehearing conference)

PRESENT: Chairman Thomas B. Getz, Presiding  
Commissioner Graham J. Morrison

Diane Bateman, Clerk

APPEARANCES: Reptg. Public Service of New Hampshire:  
Gerald M. Eaton, Esq.

Reptg. the Home Builders and Remodelers  
Association of New Hampshire:  
Kendall L. Buck

Reptg. Residential Ratepayers:  
Meredith Hatfield, Esq., Consumer Advocate  
Office of Consumer Advocate

Reptg. PUC Staff:  
Suzanne G. Amidon, Esq.

Court Reporter: Steven E. Patnaude, LCR No. 52

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2           **I N D E X**3           **PAGE NO.**4           **STATEMENTS OF PRELIMINARY POSITION BY:**

5	Mr. Eaton	5
6	Mr. Buck	6
7	Ms. Hatfield	7
8	Ms. Amidon	8

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1                   P R O C E E D I N G S  
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3                   CHAIRMAN GETZ: Okay. Good afternoon,  
4 everyone. We'll open the prehearing conference in docket  
5 DE 08-135. On November 3, 2008, Public Service Company of  
6 New Hampshire filed proposed tariff pages to establish a  
7 new line extension policy for developers and customers  
8 requesting extension of existing facilities to receive  
9 service under a residential or small business rate. The  
10 Commission issued an order on November 26, suspending the  
11 tariff pages and scheduling a prehearing conference, that  
12 was initially to occur on December 22nd, but was postponed  
due to the ice storm.

13                   So, for this afternoon's purposes, let's  
14 begin with appearances, before we provide an opportunity  
15 for the parties to make their statements about the  
16 proposal by PSNH.

17                   MR. EATON: Good afternoon, Mr.  
18 Chairman. My name is Gerald M. Eaton. I'm representing  
19 Public Service Company of New Hampshire.

20                   CHAIRMAN GETZ: Good afternoon.

21                   CMSR. MORRISON: Good afternoon.

22                   MR. BUCK: Afternoon, Mr. Chairman. I'm  
23 Kendall Buck, Executive Vice President of the Home  
24 Builders and Remodelers Association of New Hampshire.

1 CHAIRMAN GETZ: Good afternoon.  
2 CMSR. MORRISON: Good afternoon.  
3 MS. HATFIELD: Good afternoon,  
4 Commissioners. Meredith Hatfield, for the Office of  
5 Consumer Advocate, on behalf of residential ratepayers.  
6 And, with me is Ken Traum.

7 CHAIRMAN GETZ: Good afternoon.  
8 CMSR. MORRISON: Good afternoon.  
9 MS. AMIDON: Good afternoon. Suzanne  
10 Amidon, for Commission Staff. And, with me today, to my  
11 immediate left, is Al-Azad Iqbal, a utility analyst in the  
12 Electric Division, and to his left is Steve Mullen, who is  
13 the Assistant Director of the Electric Division.

14 CHAIRMAN GETZ: Good afternoon.  
15 CMSR. MORRISON: Good afternoon.  
16 CHAIRMAN GETZ: So, we'll note for the  
17 record that the only Petition for Intervention is then  
18 from the Home Builders Association. Is there any  
19 objection to that Petition to Intervene?

20 MR. EATON: No objection.

21 CHAIRMAN GETZ: Okay. Then, recognizing  
22 that the Home Builders Association has demonstrated  
23 rights, duties, privileges, or other interests to be  
24 affected by this proceeding, and that there are no

1                   objection to their intervention, we will grant -- we'll  
2                   grant the petition.

3                   And, is there anything else we need to  
4                   address of a procedural matter, before we provide an  
5                   opportunity for public comment or a statement on the  
6                   petition?

7                   MS. AMIDON: No.

8                   CHAIRMAN GETZ: Hearing nothing, then,  
9                   Mr. Eaton.

10                  MR. EATON: Thank you, Mr. Chairman. In  
11                  our -- In the Company's last rate proceeding, there was a  
12                  presentation made to the Staff, and I think the OCA,  
13                  concerning our initial revenues we receive from a new  
14                  customer, and PSNH had intended it to show that we -- the  
15                  need for overall rate increase to our Delivery Service  
16                  rates, but the Staff and the OCA suggested that perhaps  
17                  our line extension policy might be part of the problem,  
18                  and as opposed to an overall rate increase. So, we  
19                  stipulated in that proceeding to develop a report as to  
20                  how to proceed, and that report was filed on November 1st,  
21                  2007, where we agreed to file a new line extension policy,  
22                  backed up by testimony and data. We did file that, as you  
23                  said, on November 3rd, and this proceeding was opened up.

24                  I don't want the Home Builders

1                   Association to feel like this is a open-and-shut case.  
2                   That we're very happy to explain everything that goes into  
3                   this, and the facts and figures behind it, in order to  
4                   have them understand and prepare their own position with  
5                   respect to what's been proposed.

6                   So, we think it's a wise policy and  
7                   reflects the costs incurred in serving a new customer.  
8                   And, of course, we urge the Commission to accept it, but  
9                   we'll cooperate with the parties in developing the record  
10                  and proceeding so the Commission can make a decision.  
11                  Thank you.

12                  CHAIRMAN GETZ: Thank you. Mr. Buck.

13                  MR. BUCK: Thank you, Mr. Chairman.  
14                  And, we certainly appreciate the opportunity to  
15                  participate in these proceedings. And, as Attorney Eaton  
16                  had mentioned, PSNH did reach out to our organization well  
17                  ahead of the filing, to bring information to us, came and  
18                  met with us, and we certainly appreciated that.

19                  We will have a number of questions that  
20                  we will bring to the parties in an attempt to understand  
21                  fully what is being proposed. We are here out of great  
22                  concern for what this proposal, if accepted, would do to  
23                  an industry that is already devastated, as all pretty well  
24                  know at this point.

1                         It is a fact that this industry is  
2 struggling. We know that it is an industry that has  
3 really started leading this country and this state  
4 downward, in terms of its economic position. In fact,  
5 this particular policy, if it is to be adopted, will have  
6 very grave circumstances relative to our ability to help  
7 this state bring itself out of its current economic  
8 condition. This particular proposal, again, would be a  
9 wholesale change in terms of the way business has been  
10 operating, in terms of line extensions to new customers,  
11 and a very drastic change.

12                         We'll be happy to discuss the actual  
13 dollars and cents of what it means. We have some  
14 questions and some challenges based on the information in  
15 the filings, and certainly look forward to discussing  
16 those.

17                         CHAIRMAN GETZ: Thank you. Ms.  
18 Hatfield.

19                         MS. HATFIELD: Thank you, Mr. Chairman.  
20 The OCA, as you heard from Mr. Eaton, did participate in  
21 raising this issue during the last rate case, and we did  
22 work with PSNH on the report that they filed back in 2007.

23                         Generally, we support the idea of  
24 reviewing the policy, given that some aspects of it are

1 now 50 years old, and also in looking at an update of the  
2 cost of line extensions. And, we think it's prudent to  
3 look at who is paying for them and if there is any  
4 subsidization that's occurring.

5 We are extremely sensitive to the issues  
6 that the home builders raise, and we are very open to  
7 discussing their issues and to also exploring some  
8 creative solutions that we might be able to develop, in  
9 order to try to address the issues that we uncovered in  
10 the last rate case, but also to try to mitigate some of  
11 the impacts of the policy changes. Thank you.

12 CHAIRMAN GETZ: Thank you. Ms. Amidon.

13 MS. AMIDON: Thank you. The Staff  
14 acknowledges that this filing was anticipated and came out  
15 of the rate case that was filed in 2006. We have some  
16 initial questions, which we're going to be asking PSNH at  
17 the technical session following this prehearing  
18 conference. And, I expect that we'll be developing a  
19 procedural schedule, an opportunity for discovery, and  
20 other technical sessions as may be required to meet the  
21 informational needs of the parties as we move forward.

22 CHAIRMAN GETZ: Is there any public  
23 comment this afternoon?

24 (No verbal response)

1 CHAIRMAN GETZ: Okay. Then, hearing  
2 nothing, my expectation is there will be a technical  
3 session following this. And, I guess, as Ms. Amidon noted  
4 and Mr. Buck noted, there will be some questions and  
5 exchange among the parties. So, we will await a  
6 recommendation on a proceeding schedule.

7 MS. AMIDON: Thank you.

8 CHAIRMAN GETZ: So, we'll close the  
9 prehearing conference and take the matter under  
10 advisement. Thank you, everyone.

11 (Whereupon the prehearing conference  
12 ended at 1:44 p.m. and the Staff and  
13 Parties convened a technical session  
14 thereafter.)