

Douglas Graham  
11 Lakeview Drive  
West Lebanon, NH 03784

November 27, 2012

Debra Howland  
Executive Director  
Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429



Dear Director Howland,

I wish to petition the Public Utilities Commission for a hearing concerning the cost of relocation of equipment on my private property. I believe that National Grid abused its monopoly position and overcharged me for this relocation work, which I contend should have been provided to me at cost. I think this petition should be of particular interest to the PUC because it raises issues that affect every customer relocating equipment (hundreds per year at a minimum). But I will first explain my personal grievance. This matter involves the local electric utility at my home, doing business as National Grid at the time of the incident in question, and since purchased and doing business as Liberty Utilities. I will refer to them generally as "National Grid".

I regret having to bring this matter to the PUC. I can assure you that I am doing so only after making at least a dozen telephone calls to supervisors at National Grid and to the Office of the Consumer Advocate, several letters, and many months of attempting to extract information from National Grid. I am not a lawyer, and I apologize if I have missed something as a result. I simply believe I was ripped off by a utility that is abusing its monopoly power, and I am seeking your help.

My Complaint

My plan was to have the telephone pole closest to my house removed, and run the power line underground for that final leg to the house. When National Grid quoted \$6,565.73, I could not understand what could be so expensive. After all, equipment above ground was being eliminated, not added, and I was separately contracting with an electrician for all of the ditchwork and new underground wiring required. It seemed like all National Grid had to do was move the transformer from the old final pole to the new final pole, hook up the wire that my electrician had ready and waiting, and remove the old pole. When questioned, National Grid admitted that they had charged me for a new transformer, as it was supposedly their policy not to move old transformers and to instead charge for new transformers in this situation. After I made numerous phone calls protesting the unfairness of this policy, they agreed to reduce the bill by the charge for the new transformer which they claimed was only \$635.46 of the quoted total. The new total was \$5,929.73. They also told me that:

1. I was not allowed to use any other contractor for the work (this was a monopoly service situation as it was their equipment).
2. They would not start the work until I paid in full.
3. They would not provide more details that could potentially help me understand why the cost was so high (I had requested a materials invoice and a labor hour estimate).
4. That my only option, if I wanted the work done, was to pay upfront, and then pursue the issue afterwards through the regulators.

I paid in full while documenting my concerns (as you will see in the attached exhibits) and went ahead with the work. When the work was actually being done, the crew did a lot of standing around, and was still in and out in less than 4 hours.

What do I suspect the true facts are? I think that:

1. National Grid needlessly replaced many “gizmos” related to the transformer or involving the hookup at the pole, rather than moving them from their previous location (in other words, what they attempted to do regarding the transformer).
2. National Grid is heftily marking up all pieces of hardware.
3. National Grid is charging a highly inflated labor rate that includes unfair allocations of overhead in addition to a hefty profit margin.

Obviously I am seeking a large refund. What is fair? I am open to learning more about what could be so expensive for National Grid, but at this time a charge of around \$1,500 and a refund of around \$4,500 seem fair (I *generously* estimate 3 hours of work for 4 guys at \$60 per hour equals \$720 labor, plus a couple hundred dollars for any miscellaneous hardware that is not reusable, plus a few hundred dollars to dispose of the old pole).

#### Why This Matters to Customers Statewide

Presumably hundreds of customers undertake elective service work of this sort each year. As I have pursued this refund and have learned more about the regulatory issues involved, my belief is that this petition involves 3 key issues:

1. The PUC must clarify that they do indeed regulate this type of elective service work on private property. I believe this involves Granite State tariff 17.24, Relocation of Equipment on Private Property. This regulation states that such elective work “...will in general be made by the Company at the Customer’s expense.” (see attachment)

It seems obvious to me that such work must be regulated, but Jan Quint, my contact in the Office of the Consumer Advocate, told me that to her knowledge the PUC has not historically regulated this area of the business. I find this hard to believe. Some of the powerful arguments for this work to be regulated include: (i) National Grid told me it was regulated prior to me paying, (ii) my read of the operative language quoted above in no way states or implies that such work is not regulated, it simply addresses the issue of who should have to pay, (iii) quite

simply, it is a monopoly business inextricably linked to the provision of electric service, as the ownership of the equipment grants a monopoly. So I hope we can agree that this is clearly within the PUC's purview. If you have not historically regulated this area of the business, then now is a great time to start. If you somehow determine that this monopoly business is not a regulated business, shame on you. If it is not your job, whose job is it? Or do we just have to tolerate this unregulated monopoly business that is taking advantage of its customers?

2. The PUC must increase the amount and clarity of information that a Customer in my position is entitled to. Under current policy, no information is provided to allow me to understand if the price is fair. To me, that is like sending someone a monthly power bill but refusing to tell them the meter readings at the beginning or end of the month. More clarity is required.
3. Most importantly, the PUC must properly interpret and clarify the meaning of the phrase "at the Customer's expense". To me, the language states that the Customer must pay for the elective work, but the language also clearly implies that National Grid should not make any profit on this type of work. Materials and labor should be billed to the Customer at National Grid's cost, without any markup, absorption of overhead, or any other euphemism for profit. If a profit were envisioned from this service, there would be some language governing what amount of profit is allowed in this monopoly business. For example, language stipulating a "fair" profit, or a certain profit margin. But there is no such language because the authors clearly intended that the utility make its profits via the provision of electric service to the rate base, not through the extortion of Customers on elective, monopoly, service work. Can we agree on this interpretation? As noted in my letter of March 12, 2012 (see attachment), Annette Thompson, a supervisor with National Grid, insisted that my service was being done "at cost". I paid the invoice based partially upon this statement. But since then, Jan Quint has indicated otherwise, based upon discussions with National Grid. This service must be provided to customers at cost.

Also, I would request that forced equipment upgrades (as part of elective work) be expressly forbidden, as it appears that National Grid had (and presumably still has) an explicit policy forcing customers into unfair upgrades.

As an aside, it should be noted that when service is switched to underground (as in my situation), the electric utility and all ratepayers benefit from the reduced risk of outage due to storm damage. In my situation I buried around 200 feet of power lines down a wooded driveway. So even if National Grid does this work at true cost as I demand, it still "wins" from increased reliability. Let's not make it so painful and expensive for customers.

I look forward to a hearing on this matter. I have included numerous attachments for your review.

Sincerely,



Douglas Graham