

Douglas Graham  
11 Lakeview Drive  
West Lebanon, NH 03784

April 28, 2013

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



Dear Ms. Howland:

Regarding docket 13-048, I am writing in response to Liberty's filing of 4/9/2013 and request that this letter be added to the docket.

After almost 18 months of requests by me, and numerous statements by Liberty that details on the number of hours and rate per hour are simply unavailable, now the estimated cost information is finally available thanks to Liberty's filing of 4/9/2013. And now it is obvious why Liberty was so anxious to keep this data from my view. Liberty estimated 36.86 hours, at \$136.23 per hour, to remove one telephone pole and move the transformer! It leads to the following specific questions, which I would ask Liberty to respond to directly (either via filing, or in person at a future hearing).

1. You have stated the work was done at cost. But \$136.23 per hour cannot be true cost. True cost is the incremental cost that Liberty incurs by doing this work. No overhead allocations or any other euphemism for profit margin should be included. This rate SHOULD NOT BE the same as the allowed labor rate for traditional infrastructure work billed to the rate base, which understandably needs to include overhead allocations. These are very different concepts and need to be clarified. For perspective, my master electrician charges \$55 per hour all-in. And someone earning \$136.23 per hour would earn over \$272,000 per year. Liberty please address this issue.
2. Liberty's filing of 4/9/2013 includes only an ESTIMATE for work to be done. It is not any proof of how many hours were actually spent on the work, and therefore is irrelevant to the question of what it actually cost Liberty to do the work. Liberty, if you have proof of hours and costs actually spent on this project, please produce it. This should be a document that totals not to \$6,565.74 (as yours does), but to \$5,929.73 less the supposed \$277 by which the job came in below estimate, or \$5,652.73. Do you have any document that totals to this amount?
3. Since Liberty apparently knows with precision that the job came in \$277 under its estimate, it must therefore know precisely how many hours this job took to accomplish. Please provide documentation of how many hours were actually spent on this work.
4. If you recall from my original complaint, Liberty tried to force me to buy a new transformer rather than simply move the existing one. When I objected, they eventually agreed not to

charge me for a new transformer. But Liberty claimed that the new transformer constituted only a small portion (\$636) of the previously estimated grand total, and that I was not allowed to see the details of that cost breakdown. Then, Liberty decided to install a new transformer anyway, supposedly without charging me. But, I strongly suspect that some of the labor time and some of the list of new hardware supposedly required, was in actuality required only due to Liberty's choice to upgrade the transformer to a new version. I should not have to pay for any of those labor or material costs that Liberty chose to incur at their election. Liberty, did you reduce the billed labor hours by the number of "optional" hours you spent installing a new transformer and hardware rather than moving the old equipment? And, can you confirm that zero of the materials that I was charged for, were indirectly required by Liberty's election to install a new transformer rather than simply move the old transformer as requested?

Ms. Howland, please remember the extremely limited scope of work involved, and the basic facts here. Liberty did not "bury the lines underground" as Liberty stated incorrectly in their 2/26/13 filing. I contracted for that separately. I had already dug the trench, laid new wire, refilled the trench, and had the wires ready and waiting halfway up the pole for Liberty to connect. Liberty had to do very little: Move the transformer from the last pole to the second to last pole, connect it, and remove the old pole. A very simple job, that took very little time, and should have taken zero new equipment, cost me almost \$6,000. Prior to the work being done, Liberty informed me that i) I could not use any other contractor do the work, ii) that they were doing the work "at cost", and iii) that if I didn't like the price my only choice was to pay in full first, have the work completed, then pursue a partial refund via the PUC. I have done exactly that. And now, it comes to light that Liberty's previously confidential estimate of costs includes outrageous assumptions such as almost 37 hours of work at over \$136 per hour. I think the facts speak for themselves, and look forward to the next step in obtaining a refund. Please advise.

Sincerely,

A handwritten signature in black ink, appearing to be 'Douglas Graham', with a long horizontal flourish extending to the right.

Douglas Graham