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IR 14-190

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NHPUC 15APR'16PM4:14

April 15, 2016

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

RE: Docket No. IR 14-190, Investigation into Line Extension Policies
Comments of Eversource Energy on Staff Recommendation

Dear Director Howland:

On April 8, 2016, the Staff of the Commission submitted a recommendation in the above-referenced docket. In that recommendation, the Staff proposed that Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource") make certain changes to the existing line extension policy in its tariff, and that it do so within certain time frames. The Staff recommendation also stated that the Staff understood Eversource to concur with the recommendations. In general, the Staff's recommendation is accurate, but Eversource provides these comments to explain its understanding of the recommendations by Staff.

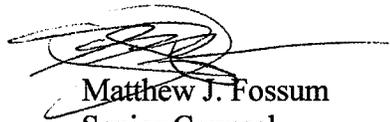
Staff's recommendation contained three items of specific relevance to Eversource. The first recommendation concerned the length of a service drop that would be provided at the expense of Eversource, rather than at the expense of the customer. The second recommendation related to requirements for certain customers to pay the entire cost upfront, as opposed to paying in installments over time. The Staff recommended that Eversource implement these changes at the time of its next rate case. Eversource agrees that at the time of its next rate case, it will include proposed changes to its line extension policy in line with Staff's recommendations on these items.

Staff's third recommendation was that Eversource would begin allocating the costs of a line extension between the initial requester of the extension, and any new customers who make use of that extension, for a period of 5 years following the construction of the line extension, and would require the initial customer to notify Eversource if any new customers make use of the extension in that 5 year period. Staff recommended that Eversource implement this change "immediately." While Eversource does not disagree with this recommendation, Eversource believes it necessary to clarify its understanding of how this recommendation will be implemented.

Presently, Eversource is in the process of designing and building customer-requested line extensions throughout its service territory. Those extensions are based on the present policy and rates in Eversource's tariff. Accordingly, to implement a new policy at this point may require changes to extensions already being built, and may change the rights and obligations of the customers who have requested these extensions. Therefore, Eversource is willing to implement the change prior to its next rate case, but believes that the change should be made following the construction season to avoid having conflicting policies applied during construction. Eversource proposes to implement this recommendation on January 1, 2017 to avoid the issues that would otherwise arise. Additionally, and for clarity, Eversource would apply the change on a prospective basis – that is, the new policy would apply to any line extensions built after January 1, 2017. This would provide a clear point of demarcation for Eversource, for customers, and for the Commission.

Thus, subject to the above clarifications, Eversource agrees with the Staff's recommendation. If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew J. Fossum", is written over a horizontal line.

Matthew J. Fossum
Senior Counsel

Cc: Service List