FAQs
2014 Changes to the Utility Assessment Statute

Q: When did the utility assessment statute (RSA 363-A) change?

A: On June 16, 2014, the Governor signed into law Senate Bill 324, revising the Public Utilities Commission assessment statute, RSA 363-A. The bill went into effect on July 1, 2014.

Q: How did the statute change?

A: The assessment calculation has changed in a number of ways. Certain entities that are not public utilities, but fall within the Commission's registration and enforcement responsibilities, are assessed for the first time. Rather than assessing all entities that are registered with the Commission based on revenue earned, certain entities are now assessed a set dollar amount ("direct assessments") and others are subject to a specified minimum amount ("minimum assessments"). Fiscal Year 2015 assessments were calculated in accordance with the new statutory requirements.

Q: What is a direct assessment?

A: Direct assessments are a specified dollar amount that applies to certain entities, as follows:

Competitive natural gas suppliers (CNGS):	$10,000
Competitive electric power suppliers (CEPS):	$10,000
Natural Gas Aggregators:	$ 2,000
Electric Aggregators:	$ 2,000
Registered Telecommunications Carriers:	$ 1,000

Q: What are the new minimum assessments under the amended statute?

A: Telephone utilities that are excepted local exchange carriers ("ELECs") and Voice over Internet Protocol ("VoIP") providers subject to Commission enforcement authority (including cable operators) will pay not less than a minimum assessment of $1,000 under the amended statute. All other utilities and assessed entities with minimal revenue will be assessed a minimum amount determined by the Commission to be fair and equitable. For Fiscal Year 2015, that minimum assessment amount was determined to be $100 for water utilities and sewer utilities that reported minimal revenue for the prior year.

Q: What companies will be assessed on the basis of total annual revenue?

A: All public utilities, including gas, electric, water, sewer, steam and certain telephone utilities, will pay assessments based on their total gross utility revenue for the preceding calendar year.

Q: Will any companies be assessed on only a percentage of their annual revenue?

A: Yes. Telephone utilities that are ELECs and VoIP providers subject to Commission enforcement authority, such as cable operators, will pay an assessment based on 33 percent of their gross revenue for the preceding calendar year. In addition, the New Hampshire Electric Cooperative will continue to pay an assessment based on 33 percent of its gross revenue for the preceding calendar year.

Q: Do any exemptions apply under the amended statute?

A: Pursuant to RSA 363-A:5, certain companies may be eligible for an exemption from assessment. If any utility or other assessed entity earned less than $10,000 in gross revenue during the prior fiscal year, no assessment will apply. This exemption does not apply to ELECs or cable VoIP providers. The applicable fiscal year begins on July 1 and ends on the following June 30.

Q: How are assessments billed to companies?

A: Assessments are billed on a quarterly basis each year on August 10, October 15, January 15, and April 15. In Fiscal Year 2015, invoices will be issued on August 10, 2014, October 15, 2014, January 15, 2015, and April 15, 2015. An assessed entity can choose to pay its assessment in whole or in quarterly installments as shown on the assessment invoice. Assessments are not prorated if a utility or other assessed entity does not remain registered with the Commission for the entire fiscal year.

Q: Are there any new reporting requirements under the amended statute?

A: Yes. Pursuant to RSA 363-A:2, II, VoIP providers subject to Commission enforcement authority are now required to submit reports of retail telephone service revenue to the Commission each year. Under the same provision, competitive gas suppliers are now required to file annual reports of sales volume and revenue, by customer class, separately for each distribution company territory. All other utilities and assessed entities will continue to file sales information in accordance with applicable Commission rules.

Q: How will the Commission use the sales and revenue information submitted by CEPS and CNGS?

A: Reported sales and revenue information from CEPS and CNGS will be used by the Commission to determine assessment amounts to be collected by local distribution utilities from all natural gas and electric customers. These amounts are referred to as "imputed revenue," and they are allocated to electric and gas utilities for collection.

Q: How are Office of the Consumer Advocate (OCA) expenses covered?

A: OCA expenses are covered by the assessments collected by the Commission. The assessment amount allocated to each utility or other assessed entity to cover OCA expenses, like the amount allocated to cover Commission expenses, is directly proportional to the utility's or entity's revenue calculated by the Commission under RSA 363-A:2 compared to the total of all such revenue calculations as a whole. The amended statute, however, excludes ELECs and cable VoIP providers from sharing in the allocation of OCA expenses, so these companies will not be assessed any amount intended to collect OCA expenses.

Q: Where can I find a copy of Senate Bill 324?

A: A copy of Senate Bill 324, along with a more detailed report on each fiscal year's assessment, is available on the Commission's website at:
http://www.puc.nh.gov/Home/AboutUs/Assessment_Booklets.htm

The table below contains a detailed summary of the assessments applicable to various public utilities and other assessed entities depending on their industry category.

Assessment of Various Types of Entities

Entity	**Assessment Amount (other than Direct Assessments*) Based on:**	**Statute**
Electric utilities (except NHEC)	100% gross revenue plus 100% retail CEPS revenue in service territory	363-A:2, I (a) and (e) 363-A:2, IV and V 363-A:6, I
NHEC	33% gross revenue plus 33% retail CEPS revenue in service territory	363-A:2, I (b) and (e) 363-A:2, IV and V 363-A:6, I
Gas utilities	100% gross revenue plus 100% retail CNGS revenue in service territory	363-A:2, I (a) and (e) 363-A:2, IV and V 363-A:6, II
Water utilities	100% gross revenue	363-A:2, I (a)
Telephone utilities (non-ELECs) (TDS, Dunbarton and Northland)	100% gross revenue	363-A:2, I (a)
Telephone utilities (ELECs)	33% gross revenue or $1,000 minimum, excluding OCA expenses	363-A:2, I(c), 363-A:2, VI 363-A:2, V
Cable VoIP providers (e.g. Comcast, Time Warner, MetroCast, Charter)	33% gross revenue or $1,000 minimum, excluding OCA expenses	363-A:2, I(d) 363-A:2, VI 363-A:2, V
Registered telecommunications carriers	$1,000 annual direct assessment*	363-A:2, III
Competitive electric power suppliers (CEPS)	$10,000 annual direct assessment*	363-A:2, III
Competitive natural gas suppliers (CNGS)	$10,000 annual direct assessment*	363-A:2, III
Aggregators (gas or electric)	$2,000 annual direct assessment*	363-A:2, III
Any entity (except an ELEC or Cable VoIP provider) with less than $10,000 gross revenue	Exempt; no assessment	363-A:5

*Direct assessment amounts are subtracted from PUC expenses prior to allocation based on relevant assessment base.