

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

October 6, 2009 - 10:08 a.m.
Concord, New Hampshire

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

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Clifton C. Below
Commissioner Amy L. Ignatius

Sandy Deno, Clerk

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

Reptg. the Home Builders and Remodelers
Association of N.H.:
Kendall L. Buck

Reptg. Residential Ratepayers:
Meredith Hatfield, Esq., Consumer Advocate
Kenneth E. Traum, Asst. Consumer Advocate
Office of Consumer Advocate

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Steven E. Mullen, Asst. Dir. - Electric Div.
Al-Azad Iqbal, Electric Division

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

ORIGINAL

I N D E X

PAGE NO.

WITNESS: RHONDA J. BISSON

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E X H I B I T S

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1	Filing by PSNH containing the Testimony of Rhonda J. Bisson, including attachments (11-03-09)	6
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2	Settlement Agreement, including attachments (09-18-09)	7
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P R O C E E D I N G

CHAIRMAN GETZ: Okay. Good morning, everyone. We'll open the hearing in docket DE 08-135. On November 3, 2008, Public Service Company of New Hampshire proposed tariff pages to establish a new line extension policy for developers and customers requesting extension of facilities to receive service under a residential or small business rate. An order suspending the tariff pages and scheduling a prehearing conference was issued on November 26th. A procedural schedule was established, but suspended for the purposes of allowing the parties to conduct settlement negotiations. And, a settlement agreement was filed on September 18, 2009, will be the subject of this morning's hearing.

Can we take appearances please.

MR. EATON: For Public Service Company of New Hampshire, my name is Gerald M. Eaton.

CHAIRMAN GETZ: Good morning.

MR. EATON: Good morning.

MS. HATFIELD: Good morning, Commissioners. Meredith Hatfield, for the Office of Consumer Advocate, on behalf of residential ratepayers. And, with me for the office is Ken Traum.

CHAIRMAN GETZ: Good morning.

1 MR. BUCK: Good morning, Mr. Chairman,
2 members of the Commission. I'm Kendall Buck, representing
3 the Home Builders & Remodelers Association of New
4 Hampshire.

5 CHAIRMAN GETZ: Good morning.

6 MS. AMIDON: Good morning. Suzanne
7 Amidon, for Commission Staff. To my left is Steve Mullen,
8 who is the Assistant Director of the Electric Division,
9 and to his left is Al-Azad Iqbal, who is an Analyst with
10 the Electric Division.

11 CHAIRMAN GETZ: Good morning. Mr.
12 Eaton, are you ready to proceed?

13 MR. EATON: Yes. We'd like to call to
14 the stand Rhonda Bisson.

15 (Whereupon *Rhonda Bisson* was duly sworn
16 and cautioned by the Court Reporter.)

17 MR. EATON: Mr. Chairman, also with us
18 today is Mr. Lee Lajoie, who works in our operations. If
19 there's some technical questions concerning operations
20 that Mrs. Bisson isn't able to address, Mr. Lajoie could
21 be sworn and answer those questions.

22 CHAIRMAN GETZ: Okay. Thank you.

23 RHONDA BISSON, SWORN

24 DIRECT EXAMINATION

[WITNESS: Bisson]

1 BY MR. EATON:

2 Q. Mrs. Bisson, will you please state your name for the
3 record.

4 A. My name is Rhonda Bisson.

5 Q. For whom are you employed?

6 A. I'm employed for Public Service Company Service of New
7 Hampshire.

8 Q. What is your position?

9 A. I'm a Senior Analyst in the Rate and Regulatory
10 Services Department.

11 Q. And, what are your duties?

12 A. As a Senior Analyst in the Rate and Regulatory Services
13 Department, I'm responsible for administering and
14 interpreting PSNH's delivery service tariff, including
15 PSNH's line extension policy for residential and small
16 business customers. In addition, I prepare regulatory
17 filings and the analysis supporting regulatory filings.

18 Q. Did you submit prefiled testimony in this proceeding?

19 A. Yes, I did.

20 Q. And, do you have that in front of you?

21 A. I do.

22 Q. Is that -- what is the date on the cover letter?

23 A. "November 3rd, 2008".

24 Q. And, is this the testimony that was prepared by you or

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[WITNESS: Bisson]

1 under your supervision?

2 A. Yes, it is.

3 Q. And, are you including in your testimony the
4 attachments that were contained in that package?

5 A. Yes, I am.

6 Q. Do you have any corrections to make to that testimony
7 today?

8 A. No, I do not.

9 Q. And, if asked those questions today, you would answer
10 the same way?

11 A. Yes, I would.

12 MR. EATON: Mr. Chairman, could we have
13 the November 3rd package marked as "Exhibit 1" for
14 identification?

15 CHAIRMAN GETZ: Be so marked.

16 (The document, as described, was
17 herewith marked as **Exhibit 1** for
18 identification.)

19 BY MR. EATON:

20 Q. Mrs. Bisson, did you respond to data requests that were
21 propounded by the parties in this proceeding?

22 A. Yes. I responded to some of the data requests, as well
23 as other individuals from PSNH.

24 Q. And, did you participate in discussions with the

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[WITNESS: Bisson]

1 parties and Staff, which led to the Settlement
2 Agreement that the Chairman spoke?

3 A. Yes, I did.

4 Q. Do you have the Settlement Agreement in front of you?

5 A. Yes, I do.

6 Q. What is the date of the cover letter on the Settlement
7 Agreement?

8 A. The date is "September 18th, 2009".

9 Q. And, are there any attachments to the Settlement
10 Agreement that were filed on that date?

11 A. Yes, there were.

12 Q. And, those would be the tariff pages that reflect the
13 agreement of the parties?

14 A. Yes. I believe there was a black lined version of the
15 tariff pages, as well as a clean version of the tariff
16 pages.

17 MR. EATON: Mr. Chairman, could we have
18 that filing of September 18th, 2009 marked for
19 identification as "Exhibit Number 2"?

20 CHAIRMAN GETZ: So marked.

21 (The document, as described, was
22 herewith marked as **Exhibit 2** for
23 identification.)

24 BY MR. EATON:

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[WITNESS: Bisson]

1 Q. Could you describe the Company's existing line
2 extension policy.

3 A. Yes, I can. PSNH's existing line extension policy for
4 residential and small business customers served under
5 PSNH's Rate G has been in place for approximately 30
6 years. And, under that policy, PSNH provides a
7 dedicated pole-mounted transformer, if it's necessary,
8 an overhead service drop, and 300 feet of distribution
9 facilities at no charge to the customer. Any
10 installation that requires distribution facilities
11 beyond that amount, beyond an overhead service drop of
12 300 feet, is subject to a line extension charge. And,
13 the charges are based on where the line extension is
14 built, whether that line extension is built along a
15 public highway or on private property, and, in
16 addition, the type of construction. It's based on the
17 type of construction used. That is, whether it's
18 overhead or underground or whether it's single-phase
19 facilities or three-phase facilities.

20 And, the charges for an overhead
21 single-phase line extension along a public highway, the
22 line extension cost is based on an average cost per
23 foot that is updated from time to time and is subject
24 to review by this Commission. And, typically, we

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1 update that cost during a rate case proceeding. And,
2 the customer pays that cost over a five-year period.
3 So, there's a monthly line extension surcharge over a
4 five-year period.

5 For underground single-phase facilities
6 that are built along a public highway, the customer
7 pays the overhead single-phase charge that I just
8 described, plus the customer is responsible to pay the
9 excess cost of placing those facilities underground.
10 And, the excess cost is paid as an up-front payment
11 before construction begins. So, in those cases,
12 there's two components. They pay a monthly charge over
13 time and then the excess cost up front.

14 And, then, for overhead three-phase
15 facilities, again, along a public highway, the customer
16 pays the overhead single-phase cost, as I just
17 described, plus they're responsible to pay a monthly
18 cost of the two additional phases that we're adding to
19 the facilities. And, that's based on basically taking
20 two percent of that additional cost, and that's the
21 monthly surcharge. They pay that, again, over a
22 60-month or five-year period.

23 And, then, for underground three-phase
24 facilities along a public highway, again, the customer

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1 pays the overhead single-phase cost, the cost of the
2 two additional phases, and those are paid over a
3 60-month period, and then the customer is required to
4 pay the excess cost of placing those facilities
5 underground, and those costs are paid up front.

6 So, that's just for line extensions
7 built along a public highway. If a line extension is
8 built on private property, then the line extension cost
9 is based on the estimated installed cost. And, our
10 field technicians actually come up with an estimate
11 based on the job-specific requirements. And, in that
12 case, the line extension costs are paid up front before
13 construction begins.

14 Now, as you know or as you can imagine,
15 most line extensions are not built completely along a
16 public highway or completely on private property. So,
17 if we have a situation where a line extension is run
18 along a public highway and on private property, then
19 our field technicians have to use the appropriate
20 methodology. They would have to break that line
21 extension into two pieces and apply the private
22 property approach and then apply the public highway
23 approach. So, it becomes very complex very quickly.

24 In addition to the line extension cost,

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1 each customer has to sign a Line Extension Agreement
2 that basically outlines their payment terms and the
3 charges for the line extension. And, in addition, PSNH
4 must monitor each request for a new service to
5 determine whether that new service is going to -- is
6 being taken from an active line extension. And, a line
7 extension is considered active for a five-year period.
8 And, if a customer does request service from an active
9 line extension, then we must go back and reallocate
10 those original line extension costs between the
11 original customer and any new customers that request
12 service.

13 Q. Could you explain the background of why PSNH decided to
14 change its line -- or, propose a change in its line
15 extension policy and how that evidenced itself in the
16 filing that was marked as "Exhibit 1"?

17 A. What led to PSNH proposing a new line extension policy
18 at this time actually began as part of PSNH's last rate
19 case proceeding. And, that was back in 2006. I think
20 it was docket DE 06-028. And, at that time, based on
21 some initial analyses, it was concluded that existing
22 customers were subsidizing the cost of providing
23 service to new customer locations. And, basically,
24 that is that the distribution revenue that PSNH

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1 receives from new customers doesn't cover the cost of
2 initiating service. So, at that time, as part of the
3 Settlement Agreement in PSNH's last rate case, the
4 Parties and the Commission Staff agreed to review in
5 more detail the cost of providing service versus the
6 revenue received from new customers, and, in addition,
7 to recommend ways to better align those costs and
8 revenues. And, we agreed to submit a report to the
9 Commission outlining our recommendations. And, in
10 fact, a report was filed with the Commission on
11 November 1st, 2007 outlining our proposal, this new
12 line extension policy. And, as part of that report
13 that we filed with the Commission, we also agreed, PSNH
14 agreed, to make a filing with the Commission in 2008
15 seeking approval of the new line extension policy.

16 In addition to minimizing the
17 subsidization that's occurring between existing
18 customers and new customers, PSNH also had a desire to
19 increase efficiency. And, what I mean by that is to
20 really begin to reduce the amount of time PSNH spends
21 administering and estimating and monitoring line
22 extension policies. So, that was an additional goal
23 that we had, again, was to try to come up with a policy
24 that not only minimizes subsidization, but also helps

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1 to increase efficiency.

2 And, we also desired to implement just a
3 much more straightforward and streamlined approach to
4 coming up with line extension estimates, that would be
5 easier for our customers to understand, as well as for
6 our employees to understand and explain to customers.
7 And, also, a simpler policy we felt would result in
8 improved response times when responding to customer
9 inquiries about line extensions. So, our third goal
10 was to try to increase and improve customer
11 satisfaction in this area.

12 Q. What were the changes that were proposed in the initial
13 filing to the line extension policy, just the major,
14 the major terms?

15 A. The main changes in our proposed line extension policy,
16 when you compare our new policy to our existing policy,
17 the first major change was the elimination of the
18 300-foot overhead distribution facility allowance per
19 customer. Under the new policy, PSNH would provide a
20 dedicated overhead or pole-mounted transformer and an
21 overhead service drop to a customer at no charge. They
22 would no longer receive a 300-foot allowance under the
23 new policy.

24 Secondly, we eliminated having separate

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1 policies for line extensions along a public highway, as
2 compared to line extensions on private property.
3 Basically, the cost of installing distribution
4 facilities along a public highway or on private
5 property aren't the same. So, we really didn't see any
6 need to have separate policies for line extensions
7 built along a public highway or on private properties.
8 So, that was just a way to simplify the policy.

9 We also wanted to try to use one main
10 method to calculate line extension costs. And, in our
11 proposal, we were proposing to use an average cost per
12 foot methodology for the different types of
13 construction, whether it's overhead single-phase,
14 underground single-phase, overhead three-phase, and
15 underground three-phase, that we'd have three separate
16 -- excuse me, four separate average cost per foot
17 figures that we would use. And, we would calculate
18 line extension costs by simply multiplying the average
19 cost per foot figures by the length of the line
20 extension.

21 Another change is that we would request
22 up-front payments before construction would begin,
23 rather than allowing, you know, for payments over a
24 60-month period. And, in addition, the final major

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1 change was to have no reallocation of line extension
2 costs as new customers take service from a line
3 extension.

4 Q. How was this proposal modified in the Settlement
5 Agreement?

6 A. As part of the Settlement Agreement, there were three
7 kind of major changes to the proposed policy. For
8 overhead and underground single-phase facilities, our
9 new plan is to phase in over a three-year period the
10 average -- increases in the average cost per foot
11 charges that would be used to determine the line
12 extension costs. And, the reason we did that is to
13 lessen the impact that the new policy would have on
14 customers who request line extensions. I think we're
15 all very well aware of the current downturn in the
16 economy, and the significant decrease in the demand for
17 new housing here in New Hampshire, as well as the
18 tightening of the credit market, which has had an
19 impact on new home sales as well. And, as a result,
20 the parties felt that it would be appropriate to phase
21 in increases over this three-year period, to lessen the
22 impact on the housing industry here in New Hampshire,
23 as well as consumers who may be purchasing new homes at
24 this time.

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1 In addition, for overhead and
2 underground three-phase facilities, we're recommending
3 that, rather than using an average cost per foot
4 methodology at this time, that we will base those line
5 extension costs on the customer-specific job
6 requirements. In our original proposal, we didn't have
7 a large number of sampling points for those types of
8 construction. So, at this time, we feel it would be
9 appropriate to base it on the customer-specific job
10 requirements.

11 And, in addition, we agreed to update
12 the methodology that will be used to calculate the
13 average cost per foot figures by construction type
14 after this three year phase-in period is complete.
15 And, the new methodology will use much larger sample
16 sizes in order to determine the average cost per foot
17 figures.

18 Would you like me to describe the
19 methodology in detail?

20 Q. Yes, why don't you.

21 A. Okay. I wasn't sure if we were going to head in that
22 direction. This new methodology, let me -- in our
23 proposal, we had proposed to just use actual line
24 extensions that were completed in the previous calendar

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1 year. And, we were going to base those line extension
2 costs -- base the actual cost of those line extensions
3 and use those to calculate the average cost per foot
4 figure. Under our new methodology, we're going to
5 record the actual cost of line extensions that are
6 completed in 2010, as well as the two calendar years
7 that follow. So, we're kind of going to look at a
8 three-year period. We're going to record whether the
9 line extension includes an overhead or an underground
10 service drop, and we're also going to record the total
11 length of the line extension. And, then what we'll do
12 is we will segregate those line extensions into the
13 four construction types, again, whether it's overhead
14 or underground single-phase and overhead or underground
15 three-phase.

16 Our plan is to adjust the line extension
17 cost for the first year and the second year, which
18 would be 2010 and 2011, for inflation, so that the costs
19 more accurately reflect costs in the third year. For
20 line extensions that include a service drop, the actual
21 cost of those line extensions will be reduced by the
22 cost of a 125-foot overhead service drop. And, the
23 total length of those line extensions would be reduced
24 by 125 feet. What we are attempting to do is to remove

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1 the cost of the facilities that are typically provided
2 by PSNH at no charge, so the average cost per foot
3 figures would be represent representative of line
4 extension costs that are beyond a service drop. And,
5 then, PSNH will update the average cost per foot
6 figures annually, thereafter, based on line extensions
7 completed in the previous three calendar years.

8 So, our initial -- our initial average
9 cost per foot figures that will utilize this
10 methodology would be effective on April 1st, 2013.
11 And, then, from that point forward, we would use this
12 rolling three year -- three year average, it's three
13 years of line extension costs to calculate our average
14 cost per foot going forward.

15 Q. Mrs. Bisson, why was the date of April 1st chosen for
16 the annual change in the tariff rate?

17 A. Mainly so that we would have the data available for
18 that full previous calendar year. You know, the data
19 will become available probably by the -- probably I
20 would say in the February timeframe. And, so, what we
21 agreed to do is, by March 1st of each year, we would
22 actually provide a report to the settling parties that
23 would show what the calculation is of the average cost
24 per foot figures each year. And, then, on April 1st,

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1 those new average cost per foot figures would become
2 effective.

3 Q. Could you summarize the benefits of this proposal as
4 evidenced in the Settlement Agreement.

5 A. The benefits of the new proposal, including incorporate
6 -- in addition, incorporating the changes in the
7 Settlement Agreement, I think, firstly, it just better
8 aligns the costs and revenues, and minimizes the
9 subsidization that's currently occurring between
10 existing customers and new customers. In addition, it
11 will keep costs and revenues better aligned on an
12 ongoing basis, because we'll be updating the average
13 cost per foot figures on an annual basis. And, in the
14 past, those values were only updated when PSNH filed a
15 rate case. And, it could be several years before those
16 average cost per foot figures were updated.

17 We also feel it provides a much more
18 efficient use of PSNH's resources. Again, the new
19 policy is just greatly simplified over the existing
20 policy, which will reduce the amount of time that PSNH
21 spends administering and monitoring these line
22 extensions, and will allow us to respond to other
23 customer inquiries.

24 As part of the testimony, we did file

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1 process maps, in which we had a process based on the
2 existing policy and the process based on the new
3 policy. And, what we were able to do is really to
4 reduce our individual tasks, from about 66 separate
5 tasks down to about 16 separate tasks. So, it was a
6 significant reduction in the amount of time spent
7 administering line extensions.

8 We also feel having a more simplified,
9 straightforward approach to calculating line extensions
10 will lead to a greater consistency of line extension
11 estimates across PSNH's service area. Again, it's just
12 a much more simplified approach. So, we feel we will
13 have greater consistency. And, in addition, that we
14 will improve our customer service, again, by being able
15 to respond quicker, and also being able to explain our
16 policy to our customers.

17 Q. Do you have anything to add to your testimony?

18 A. No.

19 MR. EATON: The witness is available for
20 cross-examination.

21 CHAIRMAN GETZ: Thank you.

22 Ms. Hatfield?

23 MS. HATFIELD: One moment please.

24 (Atty. Hatfield and Mr. Traum

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1 conferring.)

2 MS. HATFIELD: No questions. Thank you.

3 CHAIRMAN GETZ: Thank you. Mr. Buck?

4 MR. BUCK: No questions.

5 CHAIRMAN GETZ: Ms. Amidon?

6 MS. AMIDON: Mr. Mullen has a couple of
7 questions.

8 MR. MULLEN: I can't let you get away
9 without any.

10 CROSS-EXAMINATION

11 BY MR. MULLEN:

12 Q. If you turn to your testimony, I'm looking at Pages 10
13 and 11.

14 A. Okay.

15 Q. On Page 10, starting on Line 21, you talk about the --
16 now what you were looking for was up-front payments for
17 all line extensions. I think further in that section
18 you talk about how certain things are financed now.
19 Could you describe currently what happens with some of
20 these financing agreements and what's going to happen
21 in the future?

22 A. In terms of the existing line extension agreements that
23 are in place?

24 Q. Yes.

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1 A. PSNH would plan to honor the existing line extension
2 agreements that are in place, currently in place. So,
3 that means that, if new customers request service
4 within an active line extension, then there still would
5 be this reallocation of costs for existing line
6 extensions. So, we will honor those existing
7 agreements until they expire.

8 Q. I think, on Page 11, you say that at the time you had
9 "524" of those?

10 A. Correct.

11 Q. So, PSNH has to constantly monitor when somebody else
12 comes on to an existing agreement within the up to
13 five-year financing term?

14 A. Correct.

15 Q. Now, for those that are being financed over the 60
16 month period, does PSNH make any money on those, on
17 that financing agreement?

18 A. There isn't an additional interest rate that's
19 included, no.

20 Q. So, it's just the total cost split over 60 months?

21 A. Correct.

22 MR. MULLEN: Thank you. Nothing
23 further.

24 CHAIRMAN GETZ: Commissioner Below.

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1 CMSR. BELOW: Yes. Thank you. Good
2 morning.

3 WITNESS BISSON: Good morning.

4 BY CMSR. BELOW:

5 Q. I think you explain either in your testimony or the
6 Settlement or both that underground extensions, that
7 the customer is responsible for providing the
8 excavation and conduit and such?

9 A. Correct.

10 Q. For somebody who just has a service drop, is that also
11 the case? Say, somebody had a 50 or 100-foot service
12 drop, they also are responsible for providing the
13 conduit, the underground conduit and such, is that
14 correct?

15 A. Correct.

16 Q. Okay. And, the cost in the Settlement for overhead
17 single-phase facilities coming out somewhat less than
18 originally proposed, I think the original proposal was
19 13.09 per foot, and this ends up, in the third year, at
20 11.40. Whereas, the cost for underground single-phase
21 facilities in the original proposal was 12.93, and, in
22 year two, under the Settlement, it gets to 13.08, and
23 then 14.71. So, one is somewhat lower in the third
24 year and the other is somewhat higher in the third

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1 year. Is that because you did some recalculation of
2 the cost, based on the formula in the Settlement, or
3 you just had updated data or is that just the
4 Settlement result?

5 A. For the overhead single-phase, we agreed to use the
6 existing average cost per foot figure that's in PSNH's
7 tariff today. So, that's the \$8.40 -- for overhead
8 single-phase facilities, we agreed to use the current
9 average cost per foot figures that are currently
10 contained in PSNH's delivery service tariff, and then
11 to increase the average cost per foot figure over time.
12 And, then, starting with the fourth year, we would base
13 -- we would base the average cost per foot on actual
14 line extension costs.

15 For underground single-phase, we did
16 take a quick look at underground single-phase
17 facilities, to determine that starting point under the
18 Settlement, and then just increased those values by the
19 same percentage that we increased the overhead
20 single-phase.

21 CMSR. BELOW: Okay. Thank you.

22 CHAIRMAN GETZ: Commissioner Ignatius.

23 CMSR. IGNATIUS: Thank you.

24 BY CMSR. IGNATIUS:

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1 Q. I want to be sure I understand how the inflation
2 adjustor works, and that's in the Settlement Agreement
3 at Page 5. And, it may be my misunderstanding. Does
4 the inflation adjustment apply on the effective date of
5 the Settlement, so, starting in 2010 for -- so that the
6 costs that you have laid out at Page 3 and 4, those are
7 costs before there's an inflation adjustment on top of
8 them or did those costs already assume a certain level
9 of inflation, and the adjustor only comes in after
10 2013?

11 A. That's a great question. The average cost per foot
12 figures that you see for overhead single-phase and
13 underground single-phase, those values are agreed upon
14 values that will stay in place for those years. When
15 we're talking about the inflation adjustment, we're
16 talking about average cost per foot figures that would
17 take effect on April 1st of 2013. Okay? So, what
18 we'll do is we'll take a look at actual line extensions
19 completed in 2010 and 2011 and 2013. I'm sorry, it's
20 '10, '11, and '12. But I -- I was a Mathematics major,
21 I can't even count. Oh, that's funny.

22 And, then, what we'll do is we'll apply
23 an inflation factor to the line extensions, to those
24 actual costs of those line extensions completed in

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1 2010, we'll apply an inflation factor, as well as an
2 inflation factor for the following year. So that all
3 of those costs represent costs in 2012, more closely
4 represent costs in 2012. And, the reason we did that
5 is, our prior proposal, we had proposed to use the
6 actual cost of line extensions completed in the
7 previous calendar year. And, when we expanded this to
8 looking at a three-year period of line extensions, we
9 wanted those costs to more accurately represent costs
10 in the prior year.

11 Q. And, if the Settlement Agreement is approved, this
12 would allow for a continual updating or adjustment for
13 inflation going forward with sort of a rolling
14 three-year period, with the two years adjusted up to
15 get up close to the third year's actual costs?

16 A. Correct.

17 Q. The other question I have, I'm not sure you'll know,
18 but I'll throw it out to you. And, if we need to turn
19 to someone else or your counsel, please let me know.
20 There were letters submitted from New Hampshire Housing
21 Finance Authority in April 2009 and from Neighbor Works
22 Greater Manchester in May 2009, expressing concerns
23 with your original proposal. Neither of them are
24 signatories to the Settlement Agreement. Do you know

[WITNESS: Bisson]

1 if either of those two entities are familiar with the
2 Settlement? Do they have any different position at
3 this point? And, if you don't, we'll turn to others
4 later and see if we can get any help on that.

5 A. I'm not aware.

6 MS. IGNATIUS: Thank you.

7 CHAIRMAN GETZ: Well, we can turn to
8 that right now.

9 MS. IGNATIUS: Sure.

10 CHAIRMAN GETZ: Can anyone answer that
11 question from Commissioner Ignatius about the other
12 parties?

13 MR. EATON: I don't believe they were
14 intervenors. They did comment. And, we only provided
15 copies of the Settlement to the signatories, including the
16 Housing -- I mean, the Home Builders & Remodelers
17 Association. But I believe Mr. Buck may be able to
18 comment, because he was more directly in contact with
19 those parties.

20 CHAIRMAN GETZ: Mr. Buck.

21 MR. BUCK: Thank you, Mr. Chairman. We
22 did communicate with those parties that you mention about
23 the proposed Settlement, to see if they indeed had
24 additional concerns. They did not express any of those to

[WITNESS: Bisson]

1 us and indicated to us primarily that they would go along,
2 if you will, with this, if it's approved.

3 MS. IGNATIUS: Thank you.

4 CHAIRMAN GETZ: Okay. Anything further
5 for Ms. Bisson?

6 MR. EATON: No. I have no questions on
7 redirect.

8 CHAIRMAN GETZ: Okay. Hearing nothing,
9 then you're excused. Thank you.

10 WITNESS BISSON: All right. Thank you.

11 CHAIRMAN GETZ: Is there anything else
12 we need to address this morning with respect to the
13 Settlement?

14 (No verbal response)

15 CHAIRMAN GETZ: Okay. Hearing nothing,
16 then, is there any objection to striking identifications
17 and admitting the exhibits into evidence?

18 MR. EATON: No.

19 CHAIRMAN GETZ: They will be admitted
20 into evidence. Opportunity for a closing statement? Ms.
21 Hatfield.

22 MS. HATFIELD: Thank you, Mr. Chairman.
23 The OCA wishes to thank the parties and Staff for the work
24 on developing this Settlement Agreement. And, we

1 particularly want to thank the Home Builders Association
2 for taking the time to participate in the docket, because
3 they brought a perspective and some expertise that we
4 certainly didn't have. And, we think it was helpful in
5 reaching a final settlement that we think is fair and
6 meets the goals that were discussed today. Thank you.

7 CHAIRMAN GETZ: Thank you. Mr. Buck.

8 MR. BUCK: Thank you, Mr. Chairman. We
9 concur with Ms. Hatfield that we certainly extend our
10 appreciation to the parties to work with us as an
11 intervenor. Our main concern from the outset was, number
12 one, this is, as was stated earlier by Ms. Bisson, a
13 complete change in a 20 [30?] year held policy, and
14 therefore would be quite a shock to the building industry,
15 and, indeed, the home buyer, the prospective home buyer,
16 with the potential changes in cost of housing. And,
17 certainly, the willingness of the parties to agree to a
18 phase-in is going to make it much easier for an industry
19 that is still, quite frankly, in a depreciation to absorb
20 this moving forward. And, we certainly concur with others
21 and ask for your agreement and approval of this.

22 CHAIRMAN GETZ: Thank you.

23 MR. BUCK: Thank you.

24 CHAIRMAN GETZ: Ms. Amidon.

1 MS. AMIDON: Thank you. This filing was
2 made pursuant to an agreement by PSNH to, in its last rate
3 case, to align, more closely align the costs and revenues
4 associated with its line extensions. And, in the 11
5 months since PSNH made this filing, the parties and the
6 Staff have really thoroughly investigated it and resolved
7 several issues that I think needed to be resolved pursuant
8 to the Settlement Agreement back in the 2006 rate case.
9 We support the Settlement Agreement and urge the
10 Commission to approve it.

11 CHAIRMAN GETZ: Thank you. Mr. Eaton.

12 MR. EATON: Thank you, Mr. Chairman. I
13 agree with what the other parties have said, including
14 what Mr. Buck said, considering this is a well-established
15 policy that's been in place for decades, and it was a
16 rather significant change we were making. I think, thanks
17 to his organization's urging, we're probably satisfying
18 the requirement of gradualism in rate changes, and so that
19 this comes in over a period of years, and that the
20 industry will learn about it over that time. And,
21 hopefully, the industry -- we all hope the industry will
22 rebound. And, at the end of this period, this will be
23 accepted by all participants and by customers who are in
24 charge of arranging their own construction.

1 So, we support the Settlement. We
2 think, over time, this will mean that we will recover our
3 costs from these, from new line extensions, and that it
4 will be just and reasonable for all customers.

5 CHAIRMAN GETZ: Okay. Thank you. Then,
6 we'll close the hearing and take the matter under
7 advisement.

8 (Whereupon the hearing ended at 10:48
9 a.m.)

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