

NH.PUC*01/02/74*[77275]*59 NH PUC 119*Meriden Water Company

[Go to End of 77275]

Re Meriden Water Company

I-E14,171, Order No. 11,236

59 NH PUC 119

New Hampshire Public Utilities Commission

January 2, 1974

PERMISSION to discontinue service as a water utility.

SERVICE, § 277 — Discontinuance — Water — Pending alternative service.

[N.H.] A water company was allowed to cease operations as a public utility provided it did not do so until the municipal water district could take control so as not to interrupt service to the customers.

BY THE COMMISSION:

Order

WHEREAS, Meriden Water Company, a water utility operating under the jurisdiction of this Commission, by a petition filed December 6, 1973, seeks authority to discontinue operations as a public utility; and

WHEREAS, the petitioner corporation, at a special meeting of the stockholders on October 30, 1973 authorized its officers and directors to take whatever actions necessary to dissolve the corporation and turn its assets over to the Meriden Village Water District; and

WHEREAS, the voters of the Town of Meriden, on October 15, 1973 formed the Meriden Village Water District to provide water and sewer service for the town; and

WHEREAS, the voters of the Water District on November 30, 1973 voted to acquire the assets of the Meriden Water Company; and

WHEREAS, after investigation and consideration, this Commission is satisfied that the granting of the petition will be for the public good; it is

ORDERED, that permission be, and hereby is, conditionally granted to the Meriden Water Company to discontinue operations as a public water utility, such conditions being that discontinuance shall not take place until arrangements are completed with the Meriden Village Water District so that there shall be no interruption of water service to the customers of the

petitioner and written notification of the consummation of such transaction has been given to this Commission by both the Meriden Water Company and the Meriden Village Water District.

By order of the Public Utilities Commission of New Hampshire this second day of January, 1974.

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NH.PUC*01/03/74*[77276]*59 NH PUC 120*New Hampshire Electric Cooperative, Inc.

[Go to End of 77276]

Re New Hampshire Electric Cooperative, Inc.

I-R14,169, Order No. 11,238

59 NH PUC 120

New Hampshire Public Utilities Commission

January 3, 1974

APPROVAL of a special rate contract between an electric cooperative and a real estate development.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 17 with Ashuelot Lakes Estates, d/b/a Lake Ashuelot Estates, Inc., effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this third day of January, 1974.

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NH.PUC*01/09/74*[77277]*59 NH PUC 120*Merrimack County Telephone Company

[Go to End of 77277]

Re Merrimack County Telephone Company

I-F14,131, Order No. 11,245

59 NH PUC 120

New Hampshire Public Utilities Commission

January 9, 1974

AUTHORIZATION for a telephone company to issue mortgage notes.

SECURITY ISSUES, § 58 — Capitalization — Purposes — Additions.

[N.H.] A telephone company was permitted to issue notes through a negotiated agreement where the proceeds would be used for purchasing real property to house central office equipment.

BY THE COMMISSION:

Order

WHEREAS, by an unopposed petition filed October 9, 1973, Merrimack County Telephone Company, a duly organized New Hampshire corporation, operating as a telephone public utility under the jurisdiction of

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this Commission, seeks authority to borrow from and to issue its Note to the Concord Savings Bank in a total principal amount of twenty two thousand five hundred (\$22,500) dollars, bearing interest at the rate of eight and one-half percent (8 1/2%) per annum, to be used to acquire certain real estate in Warner, New Hampshire, and

WHEREAS, said Company petitions for authority to execute and deliver a twenty (20) year first Mortgage to said bank on the real estate as security for said loan; and

WHEREAS, petitioner submits that it proposes to expend the funds authorized herein to acquire real estate on Main Street, Warner, New Hampshire, to be used to house central office equipment and other proper purposes in order to meet customer growth; and

WHEREAS, sufficient supporting data was submitted to enable the Commission to adjudicate the merits thereof; and

WHEREAS, this Commission after investigation and consideration, finds that the issuance of said Note is consistent with the public good; it is

ORDERED, that Merrimack County Telephone Company be, and hereby is, authorized to issue its Note to Concord Savings Bank in a principal amount of twenty two thousand, five hundred dollars (\$22,500) said Note to bear interest at the rate of eight and one-half (1/2) percent per annum, and to be payable over twenty (20) years; and it is

FURTHER ORDERED, that Merrimack County Telephone Company be, and hereby is, authorized to execute and deliver to Concord Savings Bank a twenty (20) year first Mortgage on

the property, to be acquired as security for said Note; and it is

FURTHER ORDERED, that on January first and July first in each year, said Merrimack County Telephone Company shall file with this Commission a detailed statement duly sworn to by its Treasurer, showing the disposition of the proceeds of said Note or Notes until the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this ninth day of January, 1974.

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NH.PUC*01/15/74*[77278]*59 NH PUC 121*New England Telephone and Telegraph Company

[Go to End of 77278]

Re New England Telephone and Telegraph Company

D-E6637, Order No. 11,247

59 NH PUC 121

New Hampshire Public Utilities Commission

January 15, 1974

LICENSE for construction of an underwater telephone cable.

TELEPHONES, § 2 — Construction and equipment — Underwater cable.

[N.H.] A telephone company was authorized to place a submarine cable in public waters in order to provide for private services and future growth.

BY THE COMMISSION:

Order

WHEREAS, by petition filed December 20, 1973, New England Telephone and Telegraph Company seeks a license pursuant to RSA 371:17 — 20 to install and maintain a submarine crossing under Lake Winnepesaukee in the Town of Meredith; and

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WHEREAS, the petitioner represents that the proposed construction will cross approximately three hundred (300) feet of the Lake from Pole No. 1100 D/3 on private property of one Skiffington on Meredith Neck to private property of William Griffin on Lodge Island; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all the facts before the Commission, it is found

that the proposed construction is necessary to meet the reasonable requirements of the public; and in particular to provide telephone service to William Griffin and for future growth in the New England Telephone and Telegraph Company's Meredith Exchange, and that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is granted to the New England Telephone and Telegraph Company to place and maintain a submarine crossing under Lake Winnepesaukee in the Town of Meredith, all in accordance with the above description which is contained on a plan on file at the office of the Commission.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of January, 1974.

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NH.PUC*01/18/74*[77279]*59 NH PUC 122*Public Service Company of New Hampshire

[Go to End of 77279]

Re Public Service Company of New Hampshire

D-R6081, Order No. 11,253

59 NH PUC 122

New Hampshire Public Utilities Commission

January 18, 1974

DENIAL of a motion for a rehearing on an electric rate case.

1. PROCEDURE, § 32 — Rehearings — On remand.

[N.H.] Although an electric company wanted a full rate case upon remand of several issues, the commission addressed only the specific matters the court had returned to it since full hearings had not been mandated and conducting them would create an interminable case. p. 123.

2. EVIDENCE, § 18 — Company data — Weight and sufficiency.

[N.H.] The commission did not look at all of the data a company had submitted to it where what had been examined was misleading. p. 123.

3. REVENUES, § 2 — Deficiency estimates — Fuel cost adjustment — Lag period.

[N.H.] The commission rejected a company's calculations of its revenue deficiencies where the company had failed to make adjustments in fuel costs for the two month lag period. p. 123.

4. EXPENSES, § 122 — Electric — Generating unit — Purchased power.

[N.H.] The commission disagreed with a company's contention that placing a new generating unit in service would result in higher costs than for purchased power. p. 124.

5. ACCOUNTING, § 38 — Federal income taxes — Artificial inflation.

[N.H.] The commission rejected a company's federal income tax accounting method where it artificially inflated the income tax and credited it to the stockholders. p. 124.

BY THE COMMISSION:

Report

Upon consideration of the various matters raised by the Motion for Rehearing filed on January 9, 1974, we have concluded that our

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Order No. 11,226 ([1973] 58 NH PUC 111) was in error neither with respect to the procedure leading up to its adoption nor in the substantive matters upon which it was based. We have, accordingly, determined that the Motion should be denied.

In our action we have not disregarded the Company's contentions with respect to due process of law. We have given fair consideration to these contentions, and we find them without merit in the circumstances.

[1] Upon the remand of these proceedings, we were faced with resolving the several issues returned to us by the Court. Our efforts to do this in the expeditious manner employed in the recent telephone case* were rejected by the Company in terms which compelled the conclusion that only a full-fledged rate case would suffice to meet its approval. Such procedure was not mandated by the Court, and its adoption by us would inevitably result in these proceedings — commenced in mid-1971 — becoming an interminable and on-going feature of the regulatory scene in New Hampshire, with new figures being filed in regular procession as the Company's interests might appear to it to indicate. The delays inherent in such course are well illustrated by the fact that, although the Company has been aware since September 28, 1973, that the issue of the cost of capital was before us upon remand, it is not yet ready to introduce independent evidence on the subject: "[Mr. Roseman's] testimony will be ready some time in the near future" (Motion, page 44).

Confronted, then, on the one hand with the necessity of proceeding promptly to review our earlier order as directed by the Court, and on the other by the realization that the Company's proposals as to procedure would result in great expense, inordinate delay and unwarranted advantage to the Company through constant updating of its figures, we proceeded to the conclusions reflected in Order No. 11,226 on substantial matter available to us, particularly including the reports filed with us by the Company in regular course, matter ascertained by the Staff in direct communication with representatives of the Company, and matter filed with the Commission in pleadings subsequent to the order of remand.

[2,3] We will concede that we have not applied all data submitted by the Company in the same manner as the Company urged in submitting it: we have been troubled by presentations of the Company, misleading in character, which have compelled us to painstaking analysis in order to avoid compounding error to the prejudice of the ratepayer. An illustration of this is contained in Exhibit 7 which was filed as an accompaniment to the Company's Petition for Temporary and

Other Rate Relief on November 5, 1973. This Exhibit purports to show that, even with Tariff 18 and additional revenues set forth in Exhibit 5 accompanying the same Petition, the Company's total revenues deficiency for the twelve months ended July 31, 1973, was \$11,483,000.

The Company then decreases Net Operating Income by increased fuel costs over fuel costs incurred in the twelve months ended July 31, 1973. But the Net Operating Income used in Exhibit 7 includes revenues collected under bond with Tariff 18, which itself includes the fuel adjustment charge. Since this is so, Exhibit 7 overstates the revenues deficiency by the amount of the increased fuel costs, thus suggesting that the consumer be charged twice for this item of cost.

Similarly, examination of the voluminous financial data underlying the figures shown on Exhibit I to the Motion reveals the inherent error which this Exhibit contains: it fails to adjust for the two-months lag necessary (and authorized by the Commission) to accumulate fuel data cost and calculate the charge to the consumer.

In October and November of 1973, the Company's fuel costs and energy charges paid to others increased substantially over the corresponding two months of 1972. These increased costs reflected the continuing climb in fuel prices and an unscheduled shut-down in October, 1973, of the Merrimack plant. The Company has recovered these excess costs in its billings to the consumers; but it

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has failed to reflect this collection in Exhibit I.

If we are accurately to assess the conclusions purported to be shown in Exhibit I, we must take this omission into account, applying data furnished to us by the Company in regular course. The tabulation is as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

"Total Fossil Costs Above Base"		
October, 1973	\$1,159,612	
November, 1973	913,098	\$ 2,072,710
October, 1972	\$ 552,349	
	465,168	1,017,517
Net increase in costs (revenue collected in December, 1973 and January, 1974)		\$ 1,055,193
Exhibit I, line 22, "Deficiency in Revenue"		\$ 773,288
Net increase in costs, billed after November 30, 1973		1,055,193
Net effect on Exhibit I		\$ 281,905

It plainly develops, thus, that rather than suffering attrition as Exhibit I would have us believe, the Company is benefitting from an improved rate of earnings.

[4] In like manner we refused to be misled by the Company's allegation that "placing Newington in service will result in an increase in the cost of power" (Motion, page 19). The assertion that placing into operation a new, modern, costly and presumably efficient plant should

increase power cost strains our credulity; more importantly, our study indicates that such assertion is contrary to fact. Data on file with us shows that purchases of capacity power for the year ended July 31, 1973, included the following:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

	MWH	(\$000)	¢ /KWH
Boston Edison Co. System	160,972	\$2,758	1.71
Central Maine Power Co. - Me. Yan.	194,076	3,109	1.60
Conn. Light & Power Co. - Montville	70,149	935	1.33
N.V. - Gas Turbines	42,181	1,638	3.88
N.V. - Middleton #4	45,096	720	1.60
VELCO	6,238	256	4.10

It will be seen that, that (without even considering the associated high costs of transmission), purchased power shown above ranges from 1.33 cents to 4.10 cents per KWH.

Using the Company's capacity cost figures, and agreeing with these figures only for the purposes of these comparisons, we find that comparable costs of power to be generated at Newington are 1.038 cents per KWH. The Newington comparable costs are computed as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

Annual Capacity costs, Exhibit 3	\$15,173,000
Power production (400,000 KW × Capacity cost per KWH	.542¢
Fuel cost per KWH using actual fuel cost at Schiller for the year ended July 31, 1973	.496¢
Total cost per KWH with fuel on a comparable basis for the year ended July 31, 1973	1.038¢

The foregoing figures and data were all obtained from the Company and are reflected on reports filed with us: properly analyzed they lead to a conclusion substantially differing from that which the Company would have us draw.

[5] We understand the Company's complaint of our treatment of accounting for federal income taxes, but we should prefer to rectify our past concurrence with the Company's handling of this element rather than to perpetuate error which works to the prejudice of the ratepayer.

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Exhibit D-1 submitted with the Motion does not tell the whole story. It assumes a utility with completely static numbers, no growth in volume or expenses, only the desire to build new plant. Using the Company's numbers and rationale, let us test "year two," a subsequent year. Since construction work in progress applies to future years by definition, we shall consider what happens in future years: instead of stopping with "year one", as shown in Column 2 of Exhibit D-1 and as the Company does, a subsequent year must be analyzed. Such analysis follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

	Company's Column (2)	Subsequent Year
1. Revenue	\$ 290,000	\$ 290,000
3-5. Expenses	(135,000)	(135,000)
6. Income Taxes	(60,000)	(57,375)

7. Net Operating Income	95,000	97,625
8. AFC @ 7.75%	11,625	-
9. Current Taxes - Nonutility	2,625	-
10. Income before Interest	109,250	97,625
11. Interest Charges	40,250	40,250
12. Net Income	\$ 69,000	\$ 57,375
	=====	=====
14. Rate Base	\$1,000,000	\$ 1,161,625
15. Rate of Return	9.5%	8.4%
17. Return on Equity	12.0%	10.0%

Obviously the numbers cannot stand under examination. To accept an illustration as offered by the Company it is necessary to show comparable growth in volume of revenue and expenses. A new plant, a 16.2% expansion, can only be justified by increasing demand. Factoring into the Company's figures and using volume growth equal to plant expansion the correct illustration of N.H.P.U.C. Order No. 11,226 becomes the following:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

	Company's Column (3)	Adjusted for Growth
1. Revenues	\$ 284,750	\$ 330,773
3-5. Expenses	(135,000)	(156,819)
6. Income Taxes	(54,750)	(64,752)
7. Net Operating Income	95,000	109,202
8. AFC @ 7.75%	11,625	11,625
9. Current Taxes Non-Utility	-	-
10. Income Before Interest	106,625	120,827
11. Interest Charges	40,250	44,450
12. Net Income	\$ 66,375	\$ 76,377
14. Rate Base	\$ 1,161,625	\$ 1,131,625
15. Rate of Return	9.7%	9.7%
17. Return on Equity	11.5%	12.0%

The Company's Exhibit D-1 properly analyzed proves the propriety of the corrections of the accounting ordered by this Commission.

The Company refers to the FPC Uniform System (409 — Income Taxes) as authorizing its approach. The text, included in the Company's Motion, states

"This account shall include the amount of state and federal income taxes on income properly accruable during the period covered by the income statement to meet the *actual liability* for such taxes." (Emphasis supplied)

The Company's accounting artificially inflates the income tax and then reconciles this by crediting the stockholder.

The Federal Power Commission has under consideration methods of accounting for income taxes and does not now approve of the method used by the Company. To say that FPC auditors did not take exception does not imply that they approved of the Company's accounting. The Acting Chief Accountant of

the FPC has informed this Commission that the failure to include an exception to the Company's accounting in the *final* audit report was an oversight on their part.

Upon discovery of such obviously erroneous application of data and concept we have looked with askance at other conclusions which the Company would have us draw upon information submitted.

We have, rather, based our conclusions upon our own interpretation of the data available: in acting upon the basis of such matter, we believe that we have complied fully with the Court's instructions upon the remand, and that our Order No. 11,226 embodies conclusions which are sound, lawful, and in the best interests of the ratepayers and of the Company itself. We see no occasion for rehearing.

Order

The Commission having before it a Motion filed January 9, 1974, for and on behalf of, Public Service Company of New Hampshire for rehearing on Order No. 11,226 issued December 21, 1973 (58 NH PUC 111) in the above entitled matter; after consideration of the allegations in said Motion and supporting exhibits, and further consideration and weighing of all the evidence before the Commission, and based upon the foregoing report, is of the opinion, and the order is, that said Motion for Rehearing be, and hereby is, denied.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of January, 1974.

FOOTNOTE

* D-R6097; Order No. 10,926, dated April 27, 1973 (after Remand)

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NH.PUC*01/21/74*[77280]*59 NH PUC 126*Water and Light Department of the Woodsville Fire District

[Go to End of 77280]

Re Water and Light Department of the Woodsville Fire District

I-R14,178, Order No. 11,255

59 NH PUC 126

New Hampshire Public Utilities Commission

January 21, 1974

APPROVAL of a special rate contract between a water company and a private corporation.

BY THE COMMISSION:

Order

WHEREAS, the Water and Light Department of the Woodsville Fire District, a municipal

utility selling water outside its precinct limits, thus under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 3 with Lawrence Sangravco, Inc. effective June 21, 1973, for water service at rates other than these covered by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of January, 1974.

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NH.PUC*01/25/74*[77281]*59 NH PUC 127*Municipal Electric Department of Wolfeboro

[Go to End of 77281]

Re Municipal Electric Department of Wolfeboro

D-R6403, Supplemental Order No. 11,265

59 NH PUC 127

New Hampshire Public Utilities Commission

January 25, 1974

ORDER implementing a revised factor of adjustment in a purchased power adjustment clause.

BY THE COMMISSION:

Supplemental Order

WHEREAS, by virtue of Supplemental Order No. 11,205, ([1973] 58 NH PUC 106) Sixth Revised Page 8B-1 of the Municipal Electric Department of Wolfeboro tariff, N.H.P.U.C. No. 3 was made effective January 1, 1974 as a result of the settlement of the wholesaler's case by the Federal Power Commission applying to revised factor of adjustment of 6.25%; and

WHEREAS, an error has been discovered, correction of which produces a factor of adjustment of 23,18%; it is

ORDERED, that the revised factor of adjustment, i.e. 23.18%, be, and hereby is, permitted to become effective (in less than the thirty (30) day statutory period, to facilitate equitable customer billing) on February 1, 1974 up to and including September 1, 1974; and it is

FURTHER ORDERED, that the Department shall proceed, without undue delay, to fold into its basic rates the adjustment factor representing the increased power cost; and it is

FURTHER ORDERED, that the Department make public notice of the revision in the Purchased Power Adjustment factor in a newspaper having general circulation in the territory affected immediately upon receipt of this order.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of January, 1974.

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NH.PUC*01/29/74*[77282]*59 NH PUC 127*Public Service Company of New Hampshire

[Go to End of 77282]

Re Public Service Company of New Hampshire

D-SF6205, Order No. 11,267

59 NH PUC 127

New Hampshire Public Utilities Commission

January 29, 1974

APPLICATION for site and facility certification for a nuclear generating station; granted.

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1. ELECTRICITY, § 3 — Generating plants — Nuclear stations — Overforecasted load.

[N.H.] In determining that construction of a nuclear generating plant was necessary to meet an electric company's demand load, the commission accepted the company's forecasted load increases as reasonable, despite overprojections, in light of probable construction delays and the desire to have an energy cushion. p. 130.

2. PAYMENT, § 53 — Penalties — Large consumers — Incentive for conservation.

[N.H.] The commission rejected the use of rate penalties on large consumers as a means of curtailing power usage and retaining a cushion of energy capacity. p. 131.

3. ELECTRICITY, § 3 — Generating units — Nuclear stations — System stability.

[N.H.] A nuclear generating unit was approved where it would not adversely affect economic stability or system reliability since continued reliance on fossil fuel plant was shown to involve significantly higher costs. p. 132.

4. PUBLIC UTILITIES, § 73 — Status — Electric — Nuclear stations.

[N.H.] An electric company was authorized to do business as a public utility for constructing, maintaining and operating a nuclear generating station. p. 133.

5. ELECTRICITY, § 7 — Authorization for transmission lines — Overhead river crossings.

[N.H.] An electric company was authorized to construct and maintain overhead river crossings for its transmission lines in order to meet the reasonable requirements of public service. p. 133.

6. CONSTRUCTION AND EQUIPMENT, § 6 — Mains and pipes — Nuclear station tunnels.

[N.H.] Permission was granted for the building of two tunnels incident to the construction of a nuclear generating unit but compensation for damages was to be paid to the state for the tunnels going under public waters and highways. p. 133.

7. CERTIFICATES, § 27 — When needed — Federal approval — State approval.

[N.H.] The board approved a nuclear generating station site based upon permits issued by the Air Pollution Control Commission, the Department of Public Works and Highways, the special board, and the Water Supply and Pollution Control Commission, conditioned upon obtaining a federal certificate of site and facility. p. 136.

APPEARANCES: Franklin Hollis and Joseph S. Ransmeier for the petitioner; Donald W. Stever, Jr., assistant attorney general for the public; John Mahar and Karen Sheldon for the Seacoast Anti-Pollution League; Paul O. Bofinger and Robert A. Backus for the Society for the Protection of New Hampshire Forests; Charles Corkin, II, for the United States Environmental Protection Agency; Peter E. Randall for the conservation commission; Tudor Richards for the Audubon Society of New Hampshire; Rudi Smith for the North Hampton Conservation Commission; Elizabeth Weinhold, pro se and Willard M. Brownell, pro se.

BY THE COMMISSION:

Report

These proceedings were initiated on February 1, 1972 when Public Service Company of New Hampshire ("the Company"), pursuant to RSA 162-F (Chapter 357 of the Laws of 1971) filed an application for a certificate of site and facility for the construction of a nuclear electric generating station at Seabrook, New Hampshire, and associated transmission lines, with the Public Utilities Commission ("the Commission"). Under the provisions of RSA 162-F:7 I, the Commission is required to hold a joint public hearing with the Site Evaluation Committee ("the Committee") and such other State agencies as have jurisdiction over related matters, i.e. discharge into public waters, air pollution, and dredge and fill of public waters, within six (6) months of the date of application upon not less than twenty-one (21) days public notice.

On April 3, 1972, an order of notice of public hearing, to be held on June 19, 1972 at the Winnacunnet High School in Hampton, New Hampshire at 10:00 a.m. was issued, with instructions for the Company to give public notice through newspapers having general circulation in the territory involved, notice to pertinent local officials and planning commissions by individual delivery, and to file a copy of the application in the State Library at Concord and in four (4) other public libraries at Portsmouth, Seabrook, Manchester and Nashua. A certificate of compliance with the order has been filed by the Company.

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Joining the Commission and the Committee at the opening hearing, some as members of the Committee, were representatives of the following agencies, who, under the provisions of various

statutes, have the responsibility for issuing permits or licenses:

1. Special Board;
2. New Hampshire Water Supply and Pollution Control Commission;
3. New Hampshire Department of Public Works and Highways; and
4. Air Pollution Control Commission.

Thirty-two (32) days of hearings were held during the period from June 19, 1972 to May 25, 1973. A view of the plant site area was made on June 29, 1973. Over five thousand eight hundred (5,800) pages of testimony were taken involving some one hundred twenty (120) witnesses and statements by individuals. Approximately two hundred (200) exhibits were also introduced at the hearings.

The Company seeks authority to construct a nuclear generating station consisting of two (2) 1100-Megawatt units at a site in Seabrook easterly of the Boston and Maine Railroad and southerly of Brown's River on a spot known as "The Rocks", as shown on the Company's Exhibit No. 39 (Appendix 1). Cooling water for the plant's condensing unit will be taken from, and discharged into, the Atlantic Ocean by means of two (2) bedrock tunnels eighteen (18) feet in diameter approximately one hundred fifty (150) feet under the beach area, and extending approximately one mile off shore. The general route of the tunnels is set forth in Company Exhibit No. 106, Page 12, Figure 3-1 (Appendix 2). A later exhibit filed by the Company in connection with its application for a license to cross under public land and waters is attached as appendix 2A. There is no significant change in the general location of the tunnels, merely a reversal in the location of the intake and discharge tunnels). Transmission lines which are associated with the project are rated at three hundred forty-five (345) Kilovolts. Three (3) lines are involved — Line No. 1, seven (7) miles long, running from the Seabrook plant to the Massachusetts line; Line No. 2, twenty (20) miles long, running from the Seabrook plant to the Newington plant and Line No. 3, twenty-nine (29) miles long; running from the Seabrook plant to a system sub-station (Scobie) in Londonderry. The routes of these lines are set forth in Company Exhibit 53A (Appendix 3). The construction features of the lines are set forth on Exhibits 57 (Appendix 4) and 58 (Appendix 5).

Under the provisions of RSA 162-F:8 the Commission in order to issue a certificate of site and facility must find that the construction of the facility —

- (a) Will not unduly interfere with the orderly development of the region with due consideration having been given to the views of municipal and regional planning commissions and municipal legislative bodies;
- (b) Is required to meet the present and future demand for electric power;
- (c) Will not adversely affect system stability and reliability and economic factors; and
- (d) Will not have an unreasonable adverse effect on esthetics, historic sites, air and water quality, the natural environment and the public health and safety.

Prior to any action by the Commission, the Committee, after having considered available alternatives and the environmental impact of the site or route, must find that the site and facility [will not unduly interfere with the orderly development of the region with due consideration

having been given to the views of municipal and regional planning commissions and municipal legislative bodies], and [will not have an unreasonable adverse effect on esthetics, historic sites, air and water quality, the natural environment, and the public health and safety], and shall send its findings to the Commission within eighteen (18) months of the filing of an application for a certificate of site and facility.

On July 27, 1973 the Committee, by an eight (8) to four (4) vote, found as follows:

(1) That it has given due consideration to the views of municipal and regional planning commissions and municipal legislative bodies concerned with the site and facility of the proposed nuclear project at Seabrook, New Hampshire and its associated transmission lines and that the site and facility of the proposed nuclear project at Seabrook, New

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Hampshire and its associated transmission lines will not unduly interfere with the orderly development of the region; and

(2) That the site and facility of the proposed nuclear project at Seabrook, New Hampshire and its associated transmission lines will not have an unreasonable adverse effect on esthetics, historic sites, air and water quality, the natural environment and the public health and safety.

The Committee's full report is attached as Appendix 6. It will be noted that the findings under No. 1 and No. 2 above coincide with (a) and (d) as listed in RSA 162-F:8 I.

The Commission, being bound by these findings, now must make definitive findings on (b) and (c), namely, that the construction of the facility —

(b) is required to meet the present and future demand for electric power; and

(c) will not adversely affect system stability and reliability and economic factors.

[1] We first turn our attention to (b). The evidence presented by the Company, official reports to this Commission, statements by both governmental and industrial organizations, and actual operating experience, give overwhelming testimony to the need for added generating capacity to meet the present and future demand for electric energy. Historically, the Company's peak load has grown from two hundred fifty-five (255) megawatts in 1955 to eight hundred six (806) megawatts in 1971. The Company projected eight hundred eighty-seven (887) megawatts for 1972 and the actual figure on December 15, 1972 was eight hundred seventy-five (875) megawatts. More importantly, though, a peak of nine hundred thirty (930) megawatts was reached twenty-four (24) days later on January 8, 1973. Thus, forecasting done on a calendar year basis must be considered in the light on the winter peak, which often occurs in January. The Company's projection for the years 1979 and 1981, the years during which Seabrook 1 and 2 are scheduled to come on line, is one thousand seven hundred forty-two (1,742) megawatts and two thousand one hundred twelve (2,112) megawatts, respectively.

In order to test the Company's projections, an outside agency was engaged, under the provisions of RSA 162-F:7 V, to make independent load projections. The New England Energy Policy Staff (NEEPS) agreed to do this work and its Executive Director, Paul H. Shore, presented testimony on this subject through a thirteen (13) page exhibit (Site Evaluation

Committee, Exhibit No. 1). NEEPS was an agency of the New England Regional Commission, operating organizationally as a part of the staff of the New England Governor's Conference. It was established to serve the general public in developing and keeping current a broad overview of New England's energy problems with particular emphasis on the electric power portion of the total energy spectrum. NEEPS worked closely with each state public utility commission and other public and private groups and agencies in analyzing regional energy needs and resource potentials and in developing a long-range regional energy policy framework within which local, state and regional decisions may be made.

Exhibit 6 showing the Company's bulk power supply projections is set forth below, to which has been added the NEEPS projection, by years until 1980 and then every five (5) years to the year 2000. It should be noted that the Company's projection involved its own load based on historical facts projected forward, whereas the NEEPS approach was to project the New Hampshire load based on its relationship to the New England load.

The Company is responsible for serving the bulk of New Hampshire through its retail sales and sales to other public utilities, which includes service to some borderline towns in Maine and Vermont, while the New Hampshire load excludes these but includes a few New Hampshire towns whose source of power is from sources other than Public Service Company of New Hampshire. Thus the two loads are theoretically not the same, but are close enough for all practicable purposes to reflect usage trends.

The Company projects a 1.78 times increase in load from 1973 to 1979, the year the first Seabrook unit is scheduled. NEEPS forecasts a 1.62 increase in the New Hampshire load. Applying the lower increase to the Company's projection would produce a reduction

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of one hundred fifty-nine (159) megawatts in the Company's forecast for 1979, an amount equal to about one year's growth at that time. In such a projection involving a substantial planning and construction period of several years, an underforecast would have serious consequences; whereas an overforecast in a continually increasing situation merely requires a little slippage, if, in fact, usual delays fail to materialize. In a Federal Power Commission report of "Delays of Scheduled Operation of Electric Generating Units" dated March 7, 1973, twenty-nine (29) nuclear units totaling twenty-four thousand two hundred eighty-three (24,283) megawatts were shown as being delayed from one to three years. Thus, we must conclude that the need for generating capacity exists, that the Company's forecast is supported by an independent and neutral agency, and that a forecast on the high side contains a desirable cushion.

[Graphic(s) below may extend beyond size of screen or contain distortions.]

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
SEABROOK PROJECT
PROJECTIONS FOR BULK POWER SUPPLY, 1972 - 1984
Megawatts

Year

1972
1973

1974
 1975
 1976
 1977
 1978

 1979
 1980

 1981
 1982
 1983
 1984

Peak Load Forecast for December
 1 Low estimate, 2 Present forecast, 3 High estimate

Witnesses produced by public counsel and intervenors attacked the Company's projection method on the grounds that it failed to take into consideration numerous conditions that would affect power use. Testimony by these witnesses unaccompanied by any positive projections of their own, can be given little consideration over some forty-five (45) years of actual performance by the Company in successfully projecting and matching generation capabilities to actual needs in such a manner that over fifty-one (51) billion kilowatt-hours have been delivered, with major service interruptions due only to floods and hurricanes, during almost a half-million hours of service.

[2] Some of the opposition witnesses and those making statements suggested that demands for power could be met by Commission efforts to curtail power use through the establishment of rate schedules so structured as to penalize greater use. We reject this approach as irresponsible and invalid — irresponsible because it ignores the basic statutory authority of the Commission and invalid because our statutory authority clearly prohibits such action. RSA 341:1 and 2 read as follows:

341:1 *Service*. Every public utility shall furnish such service and facilities as shall be reasonably safe and adequate and in all other respects just and reasonable.

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341:2 *Charges*. All charges made or demanded by any public utility for any service rendered by it or to be rendered in connection therewith, shall be just and reasonable and not more than is allowed by law or by order of the public utilities commission. Every charge that is unjust or unreasonable, or in excess of that allowed by law or by order of the commission, is prohibited.

As long as the capability exists to provide a utility commodity, it is our judgment that our duty requires us to see that the service rendered will meet the customers' demands, and will be just and reasonably priced. Within reasonable limits, just and reasonable charges must reflect the cost of the service provided. Arbitrary rate structures which are not based on the cost of service provided will not result in just and reasonable charges. The authority does not rest with this Commission at this time to control the use of utility resources by means of arbitrary rate structures.

During the hearing, questions were raised as to the need of such a large plant because some of the power was to be sent out of the State. Today, the bulk of all power generated and used in New England moves over an integrated electrical system involving the major operating utilities. A formal power pool has been established, known as NEPOOL. Larger power plants are built on a collective basis than could be built on an individual basis, so as to obtain economies of scale. Power is dispatched from a central control point so as to use the most efficient plants to meet the variable conditions of load. Reference to Petitioner's Exhibit 6, reproduced above, shows that in 1979, while the Company will be releasing five hundred eighty-five (585) megawatts of Seabrook's 1100-megawatt capacity to out-of-state use, the Company will be purchasing five hundred thirty-seven (537) megawatts from an out-of-state plant(s) constructed under the same philosophy as Seabrook. Even after the installation of the second 1100-megawatt unit, the Company will be buying in 1983 an amount equal to that to be dispensed out of state at Seabrook.

We find that the construction of the proposed facility (b) is required to meet the present and future demand for electric power.

[3] We turn now to the second finding we must make, namely, "that the construction of the plant will not adversely affect system stability and reliability and economic factors".

Uncontested testimony was introduced by the applicant's witness, Barbour, that the Seabrook plant would not adversely affect the system stability and reliability. The plant is designed in accordance with reliability criteria developed by the Northeast Power Coordinating Council, an organization made up of all major power companies in New England, New York, Ontario and New Brunswick. Stability studies have been conducted to determine the transmission lines necessary to connect this plant into the existing system. These lines are scheduled for construction as a part of the total facility now under consideration. A review of the basic costs involving Seabrook, and comparison with present-day costs of fossil plants, indicates that Seabrook will have no adverse effect on the economy. Uncontradicted evidence produced by the applicant showed such a significantly lower cost from a nuclear plant than from a similarly-sized fossil fuel plant as to eliminate even considering a fossil fuel plant unless the nuclear plant was beyond any possibility of becoming a reality. The cost advantages of nuclear energy are set forth in the applicant's Exhibit 25, attached as Appendix No. 7.

Factual information as of September, 1973 indicated that an oil price of 0.90 cents per kilowatt-hour was already a reality for the Newington plant, scheduled to become operational in 1974. Thus, the rapid acceleration of fossil fuel prices has already exceeded that predicted earlier for 1979. This increase will serve to increase the favorable price advantage of nuclear energy.

On the basis of the foregoing we find that the construction of the Seabrook facility (c) will not adversely affect system stability and reliability and economic factors. Thus, all findings required under 162-F:8 (a), (b), (c) and (d) have been fulfilled, and shall be so considered in our action on the certificate of site and facility.

While the associated transmission lines will be authorized along the routes set forth in

Exhibit 53A, we fully realize the possibility of refinement of these locations as field work progresses with the actual layout of these routes. This approval may be modified, upon request, by the Petitioner should meaningful negotiation with responsible local authorities, regional commissions, etc. result in any beneficial route relocations.

Authority to Operate as a Public Utility in Certain Areas

[4] Pursuant to RSA 374:22, the Company seeks authority to do business as an electric public utility in the Towns of Seabrook, Hampton, Hampton Falls, South Hampton, Danville, Kensington, East Kingston and Kinston for the purpose of generating and transmitting electricity. We find that the operation proposed in these towns is necessary in the public interest and the authority is granted.

Authority for Overhead Wire Crossing of Public Waters

[5] Under the provisions of RSA 371:17 — 20, as amended by Chapter 21, Laws of 1967, the Company seeks authority to construct and maintain overhead river crossings of the 345 KV transmission lines along the routes authorized by the Site Evaluation Committee (Exhibit 53A, Appendix 3). An amended petition filed by the Company on September 21, 1973 setting forth the public water crossings along the routes, as finally approved, identified the crossings as follows:

1. The Massachusetts line will cross the Powwow River at a location approximately three hundred fifty (350) feet upstream from the New Hampshire-Massachusetts state line, as shown in red on a print of a portion of a U.S.G.S. map entitled "Proposed 345 KV Water Crossing Powwow River, South Hampton, N. H., January, 1972" attached hereto;

2. The Scobie line will cross the Powwow River and adjoining swamp in the Town of Kingston as shown in red on a print of a portion of a U.S.G.S. map entitled "Proposed 345 KV Water Crossing Cedar Swamp Area, Kingston, N. H., September, 1973", attached hereto;

3. The Newington line will cross Brown's River and adjoining marsh flooded at least at high tide in the Town of Seabrook, and Hampton Falls River, Taylor River and adjoining marsh flooded at least at high tide in the Towns of Hampton Falls and Hampton, all as shown in red on a print of a portion of a U.S.G.S. map entitled "Proposed 345 KV Water Crossings Hampton Tidal Area, Hampton-Hampton Falls, N. H., September, 1973", attached hereto.

Specific information as to tower locations, wire configuration and clearance is not available at this time, but licenses may be conditionally granted subject to the furnishing of this information as soon as it is available.

Following due notice, no interested parties offered objection, and, upon investigation and consideration, this Commission finds that the proposed construction is necessary in order to meet the reasonable requirements of service to the public, and that the licenses sought may be exercised without substantially affecting the public rights in the waters crossed. These licenses are granted subject to the furnishing of plan and profile drawings showing tower and wire locations, construction design, and minimum vertical water clearance satisfactory to the Commission.

Authority to Construct Facilities Over, Under and/or Across State Land

[6] modified petition was filed by Public Service Company of New Hampshire pursuant to RSA 371:17 for authority to construct and maintain two tunnels serving the circulating cooling

water system of its proposed Seabrook nuclear generating station (a) under Brown's River and tributaries thereto, Hampton River and/or Hampton Harbor and under the ocean floor of the Atlantic Ocean, all being public waters of the State of New Hampshire, to points of intake and discharge near the ocean floor at respective distances offshore of more than 3,000 and more than 6,000 feet, and (b) beneath U. S. Highway No. 1A and the State Park in the Town of Hampton, each constituting land owned by the State of New Hampshire; and to install at the ocean ends of said tunnels appropriate intake and discharge facilities. These tunnels are in lieu of the pipes for which the original petition was filed as a part of the Seabrook application.

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The Company's application is thus incident to its pending petition for a certificate of site and facility for construction of the said Seabrook generating station.

At the hearing on the amended petition held on January 16, 1974, Mr. George Hamilton of the Department of Resources and Economic Development presented a letter to the Commission from Commissioner George Gilman of that Department requesting that the proceeding be deferred pending a determination by the Attorney General of the question of whether the Public Utilities Commission had jurisdiction to consider the Company's petition under RSA 371:17 or whether the Company should rather seek authority for the placing and maintenance of the said tunnels in, through and beneath state lands and public waters from the Governor and Council. The Commission noted that the Company's original application for a certificate of site and facility for the Seabrook Station had been filed on February 1, 1972 and that under the provisions of RSA 162-F, as applicable to such application, a determination upon it was mandated not later than two years from such filing date. The Commission therefore declined Commissioner Gilman's suggestion to delay proceeding on the Company's tunnel application but ruled that it did so without prejudice to Commissioner Gilman's position and such further proceedings before the Governor and Council as might be appropriate in the event that the Attorney General might subsequently rule against the Commission's jurisdiction on the Company's present tunnel application.

At the hearing, the Company moved that the record of the proceedings before the Site Evaluation Committee in this docket be incorporated by reference, so far as material to the Company's present application. This Motion was granted, the Commission taking note of the provision of RSA 162-F:7 that hearings before the Site Evaluation Committee be joint hearings and satisfy the initial requirements for public hearings under statutes requiring permits relative to environmental impact. The Company then presented evidence as to its plans for the design and manner of construction of the subject tunnels. They contemplated sinking vertical shafts to a depth of two hundred feet or more on site at the generating station location which is owned exclusively by the Company. From these vertical shafts, two horizontal tunnels, each eighteen feet in diameter, one for intake water and one for discharge, will be driven through bed rock generally easterly toward Hampton Harbor. The Company either owns or will acquire either a fee simple title or perpetual easement rights to construct and maintain the tunnels through all privately owned land between the vertical shafts, on site, and Hampton Harbor. From a point directly beneath the westerly shore line of Hampton Harbor, the tunnels will continue easterly, pass beneath New Hampshire State Highway 1A and one or both of them beneath Hampton State

Park. The intake tunnel will then continue 3,000 to 4,000 feet easterly beneath the ocean floor where it will terminate at a vertical shaft which will rise to the ocean floor and over which the Company will install an appropriate intake structure. This will be in a depth of 35-40 feet of water. The discharge tunnel will continue easterly from the shore line on the southerly side of the intake tunnel but will extend about 6,000 feet out from shore where it also will terminate at a vertical shaft which will rise to the ocean floor in a depth of 50 to 60 feet of water. At this point it will connect with a pipe line or lines which will extend an additional distance off shore and from which heated water from the plant will be discharged to the ocean through a series of diffuser ports (see appendix 2A). The Company's project manager, Mr. Beckley, testified that the installation, maintenance and operation of the tunnels will have no perceptible effect upon the use and enjoyment of the surface of the land and water beneath which they will pass, with the exception only that it is possible that during the course of construction it will be necessary to sink a shaft from some point in the State Park to one or both tunnels as a convenient means of access to the work location from materials and for ventilation. At the completion of the work, any such shaft would in any event be sealed off and the ground surface restored to its original condition. Whether or not such a shaft will be required has not yet finally been determined.

Mr. Hollis, appearing for the Company, represented to the Commission that Commissioner

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Gilman had indicated to him, as counsel for the Company, his willingness to accept an essentially nominal award of damages, on the assumption that one or both tunnels simply pass beneath the State Park (without consideration of the effect of a possible vertical shaft from the ground surface to the tunnels during the construction period) and on the assumption the Public Utilities Commission is determined to have jurisdiction in the matter. Mr. Hollis represented to the Commission that Commissioner Whitaker of the Department of Public Works and Highways had expressed to him a similar position but subject to a request for an appropriate indemnity undertaking by the Company with respect to any loss or damage which the installation or maintenance of the tunnels might occasion. After the conclusion of the hearing, the Commission received from Commissioner Whitaker a letter dated January 22, 1974 confirming this position.

Upon consideration of the foregoing, the Commission finds, orders and adjudges as follows:

1. That a license for the construction, maintenance and operation of two tunnels incident to the construction and operation of the proposed Seabrook nuclear generating station of the Company, beneath the public waters of Brown's River, Hampton River and/or Hampton Harbor and the Atlantic Ocean, and through the land beneath New Hampshire State Highway 1A and Hampton State Park, with associated shafts at offshore intake and discharge facilities on the ocean floor, and a possible vertical shaft during construction opening at a point in Hampton State Park, all substantially as described hereinabove, may be exercised without substantially affecting the public rights in said waters and lands;
2. That it is necessary, in order for the Company to meet the reasonable requirements of service to the public, and therefore for the public good, that such license be issued to it pursuant to RSA 371:20;
3. That there be awarded to the State of New Hampshire compensation for damages on

account of the rights to be granted the Company pursuant to the said license as follows:

- a. With respect to the privilege of building and maintaining the said tunnels through the land beneath New Hampshire State Highway 1A, the amount of \$100,
- b. With respect to the privilege of building and maintaining the said tunnels through the land beneath Hampton State Park, the sum of \$100,
- c. With respect to the privilege to cross beneath public waters and to construct and maintain intake and discharge facilities therein, \$1.

And said awards shall be paid by the Company prior to its exercise of the license;

4. That as a condition of the said license, the Company undertake to indemnify and save harmless the State of New Hampshire, the Commissioner of Public Works and Highways and the Commissioner of the Department of Resources and Economic Development, and each of them, from any and all liabilities, claims and demands of every sort and by whomsoever asserted against them, or any of them, as a result of any loss, damage, or expense occasioned to any person, enterprise, agency, or institution, as well as from any and all loss and expense occasioned to The State of New Hampshire, as a result of the construction, existence, maintenance or operation of the licensed facilities, including, without limitation, any and all harm of any sort to any public utility properties or facilities located along the said highway or within the said Park as well as any consequential harm to other properties resulting from damage imposed in the first instance upon such public utility properties; and the Company's said indemnity undertaking shall be placed upon file with this Commission prior to the Company's exercise of the license to be issued pursuant hereto;

5. No sufficient evidence was presented at the hearing to determine an appropriate compensation award to the State for its damages in the event that the Company finds it necessary to install a vertical shaft for use during construction and opening in the ground surface at a point within the State Park.

- a. In the event that the Company determines that construction of the tunnels requires the sinking of such a shaft, it

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shall be a condition of the Company's license to do so that the area around the opening be fenced off from public access and maintained in a safe condition during construction, and that at the conclusion of construction, the said shaft be permanently closed and sealed and the ground surface restored substantially to its prior condition;

- b. This Commission shall retain continuing jurisdiction of the damage issued with respect to such a possible shaft, and in the event that the Company finds it necessary to install the same, it shall advise the Commission in advance of the event and further hearing will thereupon be held with respect to such supplemental award of damages as may be appropriate with respect to the matter;

6. The Commission takes note of the fact that RSA 371:21 provides that it shall determine the compensation, if any, to be paid to the owners of lands bordering on public waters for their

damages occasioned by the installation of licensed structures crossing such waters. In view of the Company's representation with respect to the land between the shore of Hampton Harbor and its Seabrook generating station beneath which the tunnels will pass that it will either own such lands in fee or will acquire and own easement rights to construct and perpetually maintain the tunnels through them, the Commission finds that there is no occasion at this time to award damages to any owners of lands adjoining public waters incident to the license to the Company to be granted pursuant to Finding and Ruling (2) above.

Permits or Licenses from other State Agencies

[7]A. *Air Pollution Control Commission*

The Air Pollution Control Commission has furnished the Commission the following statement:

"The Air Pollution Control Agency under authority of RSA 125:92, 93 and 94 hereby issues to the New Hampshire Public Service Company Class B permits to operate two auxiliary boilers known as Seabrook Station Auxiliary boiler #1 and #2 for the purpose of developing process steam and for space heating when the nuclear units are not in operation.

A Class B (process) permit is also issued to allow the discharge of radioactive materials into the ambient atmosphere but this discharges shall not exceed the limit specified in Col. 1, Table II, Appendix A, Part A, New Hampshire Rules and Regulations for the Control of Ionizing Radiation. The company shall make every effort to keep the discharges of radioactive material to less than one-tenth (1/10) of the specified limits.

No permits are required for the operation of the four diesel generators also to be located in this location. However, they would be expected to conform to Regulation No. 9 adopted under the authority of Chapter 125:80. All permits issued are Conditional Permits to Operate. Operating Permits are issued after the system is in operation."

The above permits and letter of transmittal from the Air Pollution Control Commission to the Company are attached as Appendix 8.

B. New Hampshire Department of Public Works and Highways

The New Hampshire Department of Public Works and Highways has granted approval for highway crossings by the 345 KV transmission lines by letter of December 21, 1973 addressed to the Commission with enclosures, which is attached to this report as Appendix 9.

C. Special Board

Approval by the Special Board for activities under its jurisdiction are attached as appendices to this report, as follows:

Appendix 10 — Dredge and Fill in the course of construction of the transmission lines

Appendix 11 — Dredge and Fill — Doktor's Pond

Appendix 12 — Dredge, Fill and Wharf — Brown's River

D. New Hampshire Water Supply and Pollution Control Commission

A permit issued to the Company by the Water Supply and Pollution Control Commission is

attached to this report as appendix 13.

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Finally, it is noted here that the United States Atomic Energy Commission, under the provisions of Federal Law, is required to issue a construction permit and operating license for such a nuclear plant as is proposed by the Company at Seabrook. Even though the plant cannot become a reality without AEC approval, we will nevertheless condition our certificate of site and facility upon obtainment of the Federal approval. The Company's application to AEC has been accepted and formally docketed by that agency, as evidenced by an acknowledgment letter dated July 5, 1973.

Upon consideration of all the facts, the Commission is of the opinion that granting the authorizations sought will be consistent with the public good. Our order will issue accordingly.
Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that a certificate of site and facility be, and hereby is, granted to Public Service Company of New Hampshire for the construction, maintenance, and operation of a nuclear generating station in Seabrook, New Hampshire; consisting of two 1,100 Megawatt nuclear electric generating units, station transformers, and associated facilities, together with associated transmission lines, at locations set forth in the following exhibits on record in the case:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

<i>Item</i>	<i>Exhibit No.</i>
A. Reactors, Generators, Transformers, Cooling Water Pumps, and associated equipment	P-39 (Appendix 1)
B. Cooling Water Tunnels	P-106, Fig. 3-1 (Appendix 2) & Appendix 2A
C. Transmission Lines	P-53A (Appendix 3)

and it is

FURTHER ORDERED, that Public Service Company of New Hampshire is authorized to do business as an electric public utility, for the purposes of constructing, maintaining, and operating the generating station, associated facilities and transmission lines herein authorized, in the towns of Seabrook, Hampton, Hampton Falls, South Hampton, Danville, Kensington, East Kingston, and Kingston; and it is

FURTHER ORDERED, that all licenses and/or permits referred to in the foregoing report are granted, or are to be granted, as specified, thus constituting compliance under RSA 162-F:8 II that all State standards and requirements shall be met by the applicant as a condition of granting the certificate of site and facility; and it is

FURTHER ORDERED, that the authority granted herein be, and hereby is, conditional upon the applicant obtaining the necessary construction and operating permits and/or licenses from the U. S. Atomic Energy Commission.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of

January, 1974.

Minutes of Meeting of Site Evaluation Committee July 27, 1973

Pursuant to a notice given to each member of the Site Evaluation Committee, the Committee met at the Conference Room of the New Hampshire Water Supply and Pollution Control Commission, Prescott Park, 105 Loudon Road, Concord, New Hampshire. Chairman William Healy presided. The meeting commenced at 9:00 a.m. All committee members were present: William Healy, Terence Frost, George T. Gilman, Bernard Corson, Mary Louise Hancock, George McGee, Forrest Bumford, Gerard Zeiller, George Hamilton, Theodore Natti, Alexander J. Kalinski and Edmund L. Barker.

The Committee met in Executive Session from 9:00 a.m. until 2:10 p.m., at which time the meeting was opened to the public.

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When the meeting was opened to the public at 2:10 p.m., the Chairman noted that all Committee members were present and that counsel to the Committee, Attorney Robert Chiesa, was also present and had been in attendance with the Committee during the Executive Session. The Chairman also noted that the meeting had been duly noticed and posted, and also that all interveners had been given notice of the hearing.

Chairman Healy then read the Legal Notice of this meeting in its entirety.

George McGee made a motion that the Committee make the following findings:

WHEREAS, the New Hampshire Legislature has recognized the present and predicted growth in electric power demand in the State of New Hampshire by its enactment of RSA 162-F, as inserted by Chapter 357, Laws of 1971, "An Act Relative to the Establishment of an Electric Power Plant and Major Transmission Siting and Construction Licensing Procedure"; and

WHEREAS, the Site Evaluation Committee established under this statute has before it, pursuant to the provisions of RSA 162-F the application of the Public Service Company of New Hampshire for a certificate of site and facility for its proposed nuclear electric generating facility at Seabrook, New Hampshire and its associated transmission lines; and

WHEREAS, the application of the Public Service Company was filed on February 1, 1972 and the Site Evaluation Committee held public hearings on the application commencing on June 16, 1972 and completed said hearings on May 25, 1973; and

WHEREAS, the Site Evaluation Committee has viewed the site of the proposed nuclear facility at Seabrook, New Hampshire and has considered both the proposed site and the proposed location of the transmission lines associated with the plant; and

WHEREAS, the Public Service Company's application in its present form contemplates the construction of intake and discharge tunnels from the proposed nuclear facility to offshore locations for its cooling water system; and

WHEREAS, the Site Evaluation Committee has requested and received the views of municipal and regional planning commissions and municipal legislative bodies and has duly noted and considered such views and positions and the reasons given for their respective

positions; and

WHEREAS, the Site Evaluation Committee has, during the course of the hearings and proceedings on the application of the Public Service Company, employed and retained independent consultants, has received the reports and results of studies by such consultants and investigations and has duly considered them; and

WHEREAS, certain intervenors, counsel for the public and the U.S. Environmental Protection Agency appeared and participated in the hearings and proceedings held and the Site Evaluation Committee has given their views due consideration; and

WHEREAS, the Site Evaluation Committee has received and duly considered the written information, letters and reports submitted to it by members of the public in connection with the proposed site and facility at Seabrook, New Hampshire; and

WHEREAS, the Site Evaluation Committee has duly considered all of the evidence presented with respect to available alternatives to the proposed site and facility and also the environmental impact of the site and facility and its associated transmission lines; and

WHEREAS, the Site Evaluation Committee has duly considered all of the evidence as to the effect of the proposed site and facility on esthetics, historic sites, air and water quality, the natural environment and the public health and safety;

That the Site Evaluation Committee, having considered the available alternatives to the site and facility of the proposed nuclear facility at Seabrook, New Hampshire and its associated transmission lines, and the environmental impact of the site and facility of the proposed project and its associated transmission lines,

the Site Evaluation Committee hereby finds:

1. That it has given due consideration to the views of municipal and regional planning commissions and municipal legislative bodies concerned with the site and facility of the proposed nuclear project at Seabrook, New Hampshire and its associated transmission lines and that the site and facility of the

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proposed nuclear project at Seabrook, New Hampshire and its associated transmission lines will not unduly interfere with the orderly development of the region.

2. That the site and facility of the proposed nuclear project at Seabrook, New Hampshire and its associated transmission lines will not have an unreasonable adverse effect on esthetics, historic sites, air and water quality, the natural environment and the public health and safety.

3. The Site Evaluation Committee further requires that the Public Utilities Commission shall incorporate in its certificate such lawful terms as will be supplied to it by the state agencies having permit or license granting responsibilities under state law concerning the site and facility of the proposed nuclear project at Seabrook, New Hampshire and its associated transmission lines.

The motion was seconded by Gerard Zeiller.

Chairman Healy read the motion in its entirety.

There was no discussion on the motion and the Committee proceeded to a vote.

Those voting in favor of adopting the motion were George T. Gilman, George McGee, Forrest Bumford as Director of the Radiation Control Agency and as Executive Secretary of the Air Pollution Control Commission (two votes), Gerard Zeiller, Alexander J. Kalinski, Theodore Natti and Edmund Barker.

Those voting in opposition to the adoption of the motion were Terence Frost, Bernard Corson, Mary Louise Hancock and George Hamilton.

The Chairman ruled that the motion had been adopted by eight votes in favor to four votes opposed. Chairman Healy noted that had he voted, he would have voted in favor of adopting the motion.

There being no further business to come before the Committee, the meeting was adjourned at 2:20 p.m.

A copy of the Legal Notice of this meeting is attached hereto and incorporated herein by reference.

New Hampshire Bulk Power Supply Site Evaluation Committee

Legal Notice

In accordance with the provisions of New Hampshire Revised Statutes Annotated, Chapter 91-A, Section 2, the New Hampshire Bulk Power Supply Site Evaluation Committee hereby gives notice that it will hold a scheduled meeting at 2 *p.m.*, on Friday, July 27, 1973 at the offices of the N. H. Water Supply and Pollution Control Commission, Prescott Park, 105 Loudon Road, Concord, New Hampshire, for the purpose of taking action on the following matter:

D-SF 6205 Application of Public Service Company of New Hampshire for a Certificate of Site and Facility to Construct a Bulk Power Supply Facility and Associated Facilities at Seabrook, New Hampshire, and Public Service Company of New Hampshire Petition for authority to operate as a public utility in the Towns of Seabrook, Hampton, Hampton Falls, South Hampton, Exeter, Stratham, Kensington, East Kingston, and Kingston, for the purpose of building maintaining and operating a 2200 MW Nuclear Generating Station, consisting of two 1100 MW units, and associated transmission lines.

An Executive Session of the Committee will take place on Friday, July 27, beginning at 9 *a.m.* for the purpose of discussion by the members of the Committee, at the same location as above meeting.

Dated this twelfth day of July, 1973.

Pursuant to the New Hampshire Revised Statutes Annotated, Chapter 149:8-III (supp.) the New Hampshire Water Supply and Pollution Control Commission hereby grants a permit to discharge controlled volumes of cooling water and treated station wastes from the Seabrook Nuclear Power Station as proposed by the permittee in the proceedings before the Site Evaluation Committee

in its Docket No. D-SF6205 and with respect to which said Committee issued its findings on July 27, 1973, into the Atlantic Ocean off Hampton, New Hampshire under the following conditions:

I. The permittee shall not at any time either alone or in conjunction with any person or persons, cause directly or indirectly, the discharge of any waste into the said receiving waters except waste that has been treated in such a manner as will not lower the receiving waters below Class B water quality standards or interfere with the uses assigned to said waters by the Legislature (Chapter 311, Laws of 1967).

II. In addition to the foregoing, the characteristics of the treated effluent shall at no time exceed the values listed below.

A. General

(1) The pH of the effluent shall be between 6.5 and 8.0 unless due to natural causes.

(2) The effluent shall contain neither a visible oil slick, film or sheen nor floating solids at any time.

(3) The discharge shall not contain more than one-tenth (0.1) milliliter per liter of settleable solids over background concentrations.

(4) The discharge shall not cause visible discoloration of the receiving waters.

(5) The effluent shall be free from chemicals and other materials and conditions in concentrations or quantities harmful to human, fish or other aquatic life.

B. Specific

(1) Demineralizer Regenerant

(a) The pH of the effluent shall be between 6.5 and 8.0.

(2) Sewage Treatment Plant

(a) The 5-day Biochemical Oxygen Demand (BOD₅) of the effluent shall not exceed eleven (11) milligrams per liter.

(b) The total suspended solids content of the effluent shall not exceed five (5) milligrams per liter.

(c) The effluent shall receive substantially complete disinfection.

(3) Secondary System Condensate Leakage

(a) The concentration of oil and grease in the effluent shall not exceed ten (10) milligrams per liter.

(b) The concentrations of radionuclides shall not exceed those standards for such materials as appear in and are restricted by licenses from the Atomic Energy Commission except that:

(i) Gross Beta radioactivity shall never be greater than one thousand (1,000) picocuries per liter;

(ii) Strontium — 90 radioactivity shall never be greater than ten (10) picocuries per liter; and

(iii) Radium — 226 shall never be greater than three (3) picocuries per liter.

(4) Stream Generator Blowdown

(a) The concentration of oil and grease in the effluent shall not exceed ten (10) milligrams per liter.

(b) The concentrations of radionuclides shall not exceed those standards for such materials as appear in and are restricted by licenses from the Atomic Energy Commission except that:

(i) Gross Beta radioactivity shall never be greater than one thousand (1,000) picocuries per liter;

(ii) Strontium — 90 radioactivity shall never be greater than ten (10) picocuries per liter; and

(iii) Radium — 226 shall never be greater than three (3) picocuries per liter.

(5) Radioactive Wastes

(a) There shall be no discharge of high level radioactive wastes.

(b) The concentrations of radionuclides shall not exceed those standards for such materials as appear in and are restricted by licenses from the Atomic Energy Commission except that:

(i) Gross Beta radioactivity shall never be greater than one thousand (1,000) picocuries per liter;

(ii) Strontium — 90 radioactivity shall never be greater than ten (10) picocuries per liter; and

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(iii) Radium — 226 shall never be greater than three (3) picocuries per liter.

III. The condenser cooling water system shall have the following characteristics and be operated subject to the following conditions:

A. (1) The offshore circulating water inlet structure shall employ the best technology available for minimizing the entrapment of finfish, lobsters, and other oceanic and/or estuarine organisms larger than could pass through the pumphouse screens. The specific inlet structure design shall meet with the approval of the Commission upon consultation with the Fish and Game Department.

(2) In the event that at some future time technology shall become practicable to reduce the entrainment of organisms in the sea water entering the circulating water system, the Commission may order the installation of such devices in accordance with the procedures for corrective action set forth in paragraph VIII below, such authority being without prejudice to the remedies otherwise provided for under the said paragraph.

B. (1) The circulating water discharge structure shall employ the best technology available for minimizing the effect of the heated water on oceanic and/or estuarine organisms. The specific discharge structure design shall meet with the approval of the Commission upon consultation with the Fish and Game Department. In addition, the facility shall not discharge circulating water in amounts greater than 1900 CFS at mean sea level at the temperature of 45° above ambient receiving water temperature. Any shut-down or start-up of the facility shall be undertaken in

such a manner so as to result in a rate of change of temperature in receiving waters of no more than 1° per hour measured at a point or points to be established by the Commission within the mixing zone except in emergency situations involving emergency shutdown in which the rate of shut-down cannot be controlled by the permittee.

(2) The maximum increase in temperature in the receiving water, outside of a mixing zone to be delineated by the Commission staff with the advice of the Fish and Game Department, shall not exceed those temperatures required for a cold water fishery by the U.S. Environmental Protection Agency or by the water quality standards adopted by the Commission pursuant to RSA 149:3, V-a (supp).

C. The cooling water inlet structure shall be located not nearer to shore than 146,972 N and 732,228 E (New Hampshire Coordinate System) — (42° 54' 00" N latitude, 70° 48' 00" W longitude) and in water at least of equal depth (no less) of the water at such coordinates unless otherwise determined by the Commission.

D. The cooling water discharge tunnels shall emerge from the ocean bed not nearer to shore than 145,343 N and 734,696 E (New Hampshire Coordinate System) — (42° 53' 43.7" N latitude, 70° 47' 27.1" W longitude) and the discharge structure or structures, which shall be multi-port diffusers designed so as to provide for maximum heat dispersion with minimum ocean impact, shall be located seaward of such coordinates at a depth of water at least as great as that existing at these coordinates, unless otherwise determined by the Commission.

E. The effluent shall contain no more than one-tenth (0.1) milligram per liter of total residual chlorine.

F. The concentration of metals contained in the effluent shall not exceed the following:

- (1) Copper — No significant increase over background concentrations.
- (2) Nickel — No significant increase over background concentrations.
- (3) Iron — No significant increase over background concentrations.

G. Without limiting the generality of paragraph V on page 9 of the permit, the permittee shall:

(1) On a regular basis, at least twice each week, or until further order of the Commission, monitor and analyze the circulating water system for planktonic content and shall monthly report its analysis, which shall include in addition to the actual data, extrapolative estimates of the number of *Mya arenaria* larvae, lobster larvae, and finfish larvae entrained by the facility, directly to the Commission with a simultaneous copy delivered to the New Hampshire Fish and Game Department.

(2) Adopt a program of study of the estuarine and near shore offshore ecosystem, the design of which shall be approved by the Commission upon the advice of the Fish and Game Department, in an effort to determine the source of *Mya arenaria* larvae and other planktonic organisms entrained by the facility.

(3) Determine periodically, at such frequency as directed by the Commission upon the advice

of the Fish and Game Department, and record the numbers of finfish and other marine organisms entrapped within the circulating water system (at the pumphouse screens or other point of entrapment reasonably accessible for such purpose), and submit such records weekly to the Fish and Game Department and the Commission.

(4) Notify the Fish and Game Department and the Commission *promptly* upon obtaining knowledge of the occurrence of any fish mortality occurring within a one-mile radius of the circulating water discharge facility.

IV. Whenever a significant change in power production or operation which will materially affect the nature of the cooling water effluent is anticipated, the permittee shall give the Commission timely notice thereof and if possible, 30 days in advance of such change. The permittee shall give the Commission timely notice and if possible, 30 days' notice of an anticipated shut-down or significant power production reduction for the purpose of repair or maintenance and of start-up or resumption of full power production. No planned maintenance shut-downs shall occur between the months of November and March, provided, however, that this condition may be waived for good cause shown, and such waiver shall not be unreasonably withheld.

V. The permittee shall maintain a sewage and industrial waste treatment plant and ocean monitoring program in accordance with Commission requirements, with reports to the Commission as required. The permittee shall adopt an ocean monitoring program as approved by the Commission and shall install shore-based automatic monitoring devices, if and when available, in order to provide continuous and reliable data as to effluent quality and quantity. All analyses pertaining to the quality of the effluent shall be carried out in accordance with Regulation 2 of the Additional Water Quality Standards adopted by the Commission on October 31, 1973, or any subsequent modification thereof. Reports of the monitoring program shall be filed with the Commission as directed by it with copies to such other state agencies as the Commission shall direct.

VI. The permittee shall allow any authorized member or agent of the Commission to enter any land or establishment of the company for the purpose of collecting information, examining any records, or undertaking other action that may be necessary in connection with the water pollution control laws of The State of New Hampshire as applicable to the Station. For the purposes of this section of this permit, employees of the Fish and Game Department acting under the direction of the Water Supply and Pollution Control Commission staff, shall be considered agents of the Commission.

Notwithstanding the effluent standards contained in this permit, the permittee shall so install, maintain and operate its facilities as not to result in violation of the stream classification requirements of the receiving water as provided by law (RSA 149:3). Whenever it is demonstrated that the effluent standards applicable to the permittee do not conform with said surface water classification requirements, the permittee shall be required to conform to such standards as shall be consistent with the said classification.

Whenever it has been determined by the Fish and Game Department that any of the following have occurred: (1) significant fish mortality has resulted from gas bubble disease attributable to the facility, (2) significant fish mortality or significant mortality of other aquatic

life has resulted from thermal shock, reverse thermal shock, entrapment or entrainment, or any other cause attributable to the facility, (3) significant debilitation of fish or other aquatic life has occurred as a result of any of the foregoing, or (4) the circulating water system is causing or materially contributing to a decline in the population of benthic species, including *Mya arenaria*, resident in the Hampton-Seabrook estuary, or in nearby offshore waters, the Fish and Game Department shall notify the permittee and the Commission

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of such determination, the facts and opinions upon which it is based, and of its recommendation with regard thereto. Immediately upon receipt of the Department's recommendation or of its findings without recommendation if no recommendation be made, or in the event that any such determination has been made by the Commission on the basis of its own investigations and findings, then immediately upon such determination, the Commission shall determine what means shall be employed by the permittee in order to eliminate the condition with respect to clauses (1), (2), (3), or (4) above set forth in the subject findings and shall issue an appropriate order in the light of such determination and serve it upon the permittee, together with a copy of the underlying findings in support thereof and an identification of the source of the evidence upon which they are based, and the permittee shall forthwith comply with such order. In the event the Commission order requires the construction of treatment facilities, or other facilities, the permittee shall, during the period between the issuance of the order and the operation of such facilities, reduce power production to the level at which the occurrences cited in the subject findings no longer occur. Notwithstanding the previous sentence, if the order is based upon a finding by the Fish and Game Department that the facility is causing or materially contributing to a decline in significant benthic populations, including *Mya arenaria*, the permittee shall, during the period between the issuance of the order and the operation of corrective facilities, reduce its intake to a level at which such effect no longer occurs.

A. In the event the operation of the facility causes material damage or destruction to fish, other marine estuarine and wildlife resources, the permittee shall, to the extent possible under existing technology, replace and reestablish such damaged assets.

IX. The New Hampshire Water Supply and Pollution Control Commission shall periodically review and revise, if necessary, the conditions of this permit so that continuous Class B (or any other class assigned by the Legislature) water quality standards and uses shall not be violated by the facility. Any order or determination by the Commission under this permit shall be subject to appeal as provided for in the New Hampshire Revised Statutes Annotated, Chapter 149:14. For the purposes of a motion for rehearing and of an appeal taken from an order issued pursuant to paragraph III A-2 or VIII of this permit, any findings, recommendations and data issued or possessed by the Fish and Game Department or the Commission with regard thereto shall be deemed adopted by the Commission and shall be a part of the record.

X. This permit is not transferable. *Additional Conditions*

The Public Service Company of New Hampshire shall promptly notify the Public Utilities Commission in the event that it is required at any time to backfit its facilities with thermal pollution control equipment or other devices as a result of orders made pursuant to Sections VII,

VIII or III-A of the Permit to Discharge Cooling Water and Treated Station Wastes, issued by the Water Supply and Pollution Control Commission or its successor, and, in accordance with the requirements of the Public Utilities Commission shall furnish such information to it as it may require to permit determination of how much, if any, of the constructed or reconstructed facilities thereafter shall be and/or remain a part of the Company's rate base and how much, if any, of the cost of replacement power required to be purchased during the construction of such added equipment or devices shall be charged to the Company's customers.

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PUC APPENDIX 7 September 25, 1973 Mr. D. N. Merrill, Vice President Public Service Company of New Hampshire 1000 Elm Street Manchester, N. H. 03105 Dear Sir:

As requested by your application, you are hereby granted Permits to Operate: Conditional Permit to Operate, Seabrook Plant, Boiler #1, CPO-B-27 Conditional Permit to Operate, Seabrook Plant, Boiler #2, CPO-B-28 Conditional Permit to Operate, Seabrook Plant, Radioactive Waste Gas

Discharge Unit #1, CPO-BP-52 Conditional Permit to Operate, Seabrook Plant, Radioactive Waste Gas

Discharge Unit #2, CPO-BP-53

These Conditional Permits should be displayed during the construction and testing of your Seabrook facility. Your attention is invited to Paragraph L, Section III, New Hampshire Air Pollution Control Commission Regulation No. 16.

Inasmuch as diesel engines are governed by Regulation No. 9, no permit is required for their installation and operation as long as they are operated in compliance with this regulation.

Thank you for your cooperation. Very truly yours, Forrest H. Bumford, P.E. Director Air Pollution Control Agency FFJ:cl Enclosures

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PUC APPENDIX 9

STATE OF NEW HAMPSHIRE INTER-DEPARTMENT COMMUNICATION FROM Robert H. Whitaker Commissioner *SUBJECT* Power Line Crossing of State Highways *DATE* December 21, 1973 *AT (OFFICE)* Department of Public Works and Highways *TO* Mr. Edmund L. Barker Chief Engineer N. H. Public Utilities Commission 26 Pleasant Street Concord, New Hampshire 03301 D-SF6205 Dear Sir:

Reference is made to Public Service Company of New Hampshire's amended petition to cross state maintained highways with 345KV electric transmission lines associated with Seabrook generating station.

The proposed crossings shown on Exhibits 62 (copy attached) and 61-A (revised September 25, 1972) have been reviewed and preliminary approval is hereby granted subject to the following provisions:

1. The Company shall not locate any poles or structures within the existing right-of-way.
2. The Company should provide at least 350-foot spans at the following locations, as shown on Exhibit 62 to allow for future improvements.

[Graphic(s) below may extend beyond size of screen or contain distortions.]

IDENTIFICATION NO. ON EXHIBIT 5	HIGHWAY ROUTE NO.	MUNICIPALITY
A 1	1	Seabrook
B 6	1	Hampton

C 1	1	Seabrook
C 21	125	Kingston
C 22	111	Danville

3. The vertical clearance above the highway shall be 40 feet or more for all highway crossings.

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Licenses for the above mentioned crossing of State maintained highway will be granted in the normal manner after the crossings are installed, provided the petitions for licenses are submitted and the installations are made in compliance with the foregoing provisions. Very truly yours, R. H. Whitaker, P. E.

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PUC APPENDIX 10

STATE OF NEW HAMPSHIRE SPECIAL BOARD P-171 Public Service Co. — Seabrook — Transmission Lines — Motion approved by the Special Board on December 18, 1973. That the application of Public Service Company of New Hampshire to this Board in its Docket No. 3171 for permission to dredge and fill pursuant to RSA 483-A in the course of the construction of the associated transmission lines forming a part of the Company's Seabrook Project reviewed by the Site Evaluation Committee in its Docket No. D-SF-6205, in accordance with plans submitted on November 30, 1973 to this Board and as otherwise presented to the Site Evaluation Committee, be and hereby is granted subject to the following terms and conditions:

1. That the Company submits construction plans, including construction methods and proposed access routes in areas under the jurisdiction of the Special Board, for the transmission lines as they are from time to time completed for review and approval, modification or rejection by this Board at least 30 days prior to the commencement of construction.
2. That the Company, in cooperation with the Board, so locate the transmission lines within the routes approved by the Site Evaluation Committee in its findings made on July 27, 1973 and so carry out construction of said transmission lines as to reasonably minimize the effects thereof upon the areas subject to the jurisdiction of this Board which will be affected by the construction thereof.
3. That the Company furnish to the Board from time to time upon request, such information as may be required so that this Board may properly exercise its jurisdiction under RSA 483-A.

George M. McGee, Sr., Chairman

PUC APPENDIX 11

FILL OUT ACCURATELY AND COMPLETELY TO AVOID RETURN AND DELAY

Application is hereby made for a permit to accomplish work described below relating to excavating, dredging, or filling, in accordance with the Rules and Regulations established under the provisions of Chapter 387 of the Laws of 1969, and RSA Chapter 149:8A 1. Name of applicant (owner) Public Service Company of New Hampshire Telephone No. 669-4000 (please print or type) Resident or principal business address P. O. Box 330, Manchester, N. H. 03105 2. Location of proposed construction Town or City Seabrook County Rockingham 3. Adjacent to, or in (fresh) water. 4. Name of water body Docktor's Pond 5. Type of project — Fill (x) Dredge (x) Wharf () Other ____ (Specify) 6. Reason(s) for proposed construction: This body of water falls under one of the structures of the proposed Seabrook Station. 7. (a) Proposed starting date October 1, 1974 (b) Completion date December 1, 1984 8. If work is to be done by self, contractor, or agent give his name and address below: Work to be done by Agent of Owner Telephone Number ____ (This information to be submitted prior to construction) 9. Description of construction (use reverse side for additional information): (a) Type of material. Gravel (b) Estimated quantity of dredged material (Cu. yd.): None (c) Estimated quantity of fill material (cu. yd.): 1000 (d) Final disposition of dredged material: ____ (e) If any channel is to be constructed, the distance the flow of water is to be rerouted: None (f) Enclosed for your information is a copy of RSA Chapter 149:8-A which is administered and enforced by the Water Supply and Pollution Control Commission. One copy of your application will be acted upon by the W.S.P.C.C. and such action will be incorporated in one distribution. 10. I hereby certify that the applicant has given notification of this proposal to the Town/City of ____ solely for the purpose of informing the town of projects anticipated within its boundaries. (Neither this signature nor an approval issued by the Water Supply and Pollution Control Commission constitutes approval by the Special Board and must not be construed). Signature (Mayor, City Manager, or Selectman) Title 11. Complete list of all abutting owners, their addresses and phone numbers: (They have been contacted and the work proposed has been explained to them. Note on separate sheet objections raised by abutters). All abutting land is owned by Public Service Company of New Hampshire and Exeter and Hampton Electric Company 225 Water Street, Exeter, New Hampshire 603-772-5916 A permit issued under this application shall be non-transferable and shall expire two years from date of issue. PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE Signature of Applicant BY: Date

PUC APPENDIX 12

In regard Site Evaluation Committee D-SF 6205

Application is hereby made for a permit to accomplish work described below relating to excavating, dredging, or filling, in accordance with the Rules and Regulations established under the provisions of Chapter 387 of the Laws of 1969, and RSA Chapter 149:8-A 1. Name of applicant (owner) Public Service Company of N. H. Telephone No. (603) 669-4000 (please print

or type) Resident or principal business address 1000 Elm Street, Manchester, New Hampshire 03105 2. Location of proposed construction Town or City Seabrook, Hampton, Hampton Falls County Rockingham 3. Adjacent to, or in (salt) water. 4. Name or water body Brown's River, Hampton Harbor, Atlantic Ocean 5. Type of project Fill (X) Dredge (X) Wharf (X) Other (specify) See Item ___ 11 6. Reason(s) for proposed construction: Construction of nuclear generating station 7. (a) Proposed starting date Early 1975 (b) Completion date Late 1979 8. If work is to be done by self, contractor, or agent, give his name and address below: Contractors to be hired at later date. (This information to be submitted prior to construction) 9. Description of construction (use reverse side for additional information): See Page Two (a) Type of material ___ (b) Estimated quantity of dredged material (cu. yd.): ___ (c) Estimated quantity of fill material (cu. yd.): ___ (d) Final disposition of dredged material: ___ (e) If any channel is to be constructed, the distance the flow of water is to be rerouted: ___ (f) Enclosed for your information is a copy of RSA Chapter 149:8-A, which is administered and enforced by the Water Supply and Pollution Control Commission. One copy of your application will be acted upon by the W.S.P.C.C. and such action will be incorporated in one distribution. 10. I hereby certify that permission, where required, has been granted by the TOWN/CITY of ___ to ___, to accomplish the work described herein. Signature ___ (Town or City Official) Title ___

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PUC APPENDIX 13

July 31, 1973 APPROVAL: Subject to the timely filing of final construction plane for such work and the approval by the Board thereof. This application excludes any consideration to the previously presented application for permit utilizing conduits through the marsh.

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PUC LETTER

January 29, 1974 Public Utilities Commission 26 Pleasant Street Concord, New Hampshire Gentlemen:

It has been called to my attention that we failed to include the enclosed "Additional Conditions" which were brought to the Commission's attention when the action was taken on January 23, with regard to a discharge permit for the proposed nuclear power plant at Seabrook.

I have examined the minutes of the Commission Meeting on January 23, 1974, and it is indicated there that, although it could not be properly included as part of the Commission's permit, the material should be forwarded to your Commission for inclusion in the final order of the Public Utilities Commission.

It was apparent at our session that the Office of the Attorney General and attorneys for the Public Service Company of New Hampshire had, in fact, agreed on the language of the

additional conditions, and there were no objections by the company to inclusion in your order in view of the fact that the company believes it to be in keeping with the governing statutes relative to such matters. Very truly yours, William A. Healy, P.E. Executive Director

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NH.PUC*01/29/74*[77283]*59 NH PUC 165*Hudson Water Company

[Go to End of 77283]

Re Hudson Water Company

Intervenor: Town of Hudson

D-6593, Order No. 11,270

59 NH PUC 165

New Hampshire Public Utilities Commission

January 29, 1974

PETITION by a water company for an increase in rates: granted as modified.

1. RATES, § 597 — Water — Special factors — Water main extension.

[N.H.] The commission found it proper for customers to pay for a water company's pipe extension that was serving a commercial development since supporting growth in a water main is no different than supporting reserve capacity. p. 166.

2. RATES, § 596 — Water — Block or sliding scale rates — Demand charges.

[N.H.] The commission approved a sliding scale water rate whereby lower costs reflected larger consumers and a demand charge for water, even though demand charges are rarely found in water rates. .Pg p. 166.

3. VALUATION, § 25 — Rate base — Date of valuation — Average versus year-end figures.

[N.H.] Preference was given to an average rate base rather than an end-of-period base because the average correlates revenues and expenses. p. 166.

4. RETURN, § 26.4 — Cost of equity capital.

[N.H.] A sufficient return on common equity was found to be 11 per cent. p. 166.

5. RETURN, § 26 — Minimum — Cost of capital.

[N.H.] The cost of capital marks the minimum rate of return to which a company is entitled. p. 167.

APPEARANCES: John R. McLane for the petitioner; John M. Bednar, Selectman, for the town of Hudson.

BY THE COMMISSION:

Report

On June 29, 1973, Hudson Water Company (the "Company") a New Hampshire corporation, operating as a public water utility primarily in the Town of Hudson, under the jurisdiction of this Commission, filed proposed revisions of its Tariff, N.H.P.U.C. No. 7 to effect an increase in revenues. The proposed increase was intended to yield an annual increase in revenue of \$71,908, or 24%.

On July 6, 1973 we issued Order No. 11,001, suspending the revised tariff, pending investigation and decision thereon.

On October 13, 1973, we issued an Order of Notice, providing for a hearing to be held at the office of the Commission on December 4, 1973. On November 28, 1973 the December 4 hearing was postponed, at the request of the Hudson Selectmen.

On December 5, 1973 we issued a new Order of Notice, providing for a hearing to be held on January 8, 1974 — 7 p.m., at the Memorial School in Hudson. The hearing was held on the evening of January 8, 1974.

At the hearing the Company filed amended figures, updating costs, revenues and expenses, indicating a total revenue deficiency of \$90,338, or a 29% increase.

The Company submitted data and testimony showing that earnings had been and were deteriorating, that even with the rate increase requested the rate of return would continue to drop because of attrition.

The Company submitted testimony and exhibits to show that the weighted cost of capital was 10.75%, and with allowance for attrition and regulatory lag, the minimum necessary rate of return was 11.62%. This

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cost of capital was arrived at by using a 15 return on common equity.

The Company originally submitted data using the year 1972 as the test year. Known changes in expenses, anticipated increases in revenue and changes in investment were used to arrive at adjusted test year numbers. At the hearing the Company updated its data to use the twelve months ended November 30, 1973, adjusted for known or anticipated changes, as the test year.

Rates and Service

[1] Two major items were raised with respect to rates and service. The Commission was asked to consider relieving the customers from supporting an investment in the Lowell Street Extension, wherein the Company placed a larger pipe than immediately necessary in anticipation of growth, and where there was eventually an indication that the extension was for a commercial development which would have required a larger contribution from the applicant. We do not feel that the circumstances dictate any unusual treatment of this extension. It was constructed under the terms of the tariff in effect at the time of the application. The tariff has now been modified to overcome what has now been determined to have been a loophole. For the general customers to support an investment for growth in a water main is no different than supporting the reserve capacity that is built in to most water utility water plant construction, such as wells, standpipes,

pumps, etc. The Town has already made use of this extension through the attachment of three hydrants and we will be surprised if the usual pattern of growth where utility service is extended fails to materialize.

[2] The Commission was also asked to give serious consideration of the sliding scale block rate structure, because larger users were paying lower unit costs; also to consider a so-called demand charge in the water rate similar to the demand charge found in electric rate schedules. The principal reason for a demand charge is when one wants to take a larger amount of a commodity in a relatively short period of time. It is more costly to deliver 400 KWH if taken at the rate of 100 KW for four hours than to deliver 400 KWH taken at the rate of 4KW for 100 hours; hence a demand charge based on the instantaneous demand (rate of taking). This feature is not so prevalent in water use, except in the case of heavy-flow rates necessary for sprinkler or hydrant fire protection service. In these instances a demand charge is made based on the size of the service connection. Also, scaled minimum rates based on the size of the service are a part of the existing rate where large demands may be imposed on the system. This is generally the extent of the demand feature in water rates; however.

The sliding scale rate is not intended to be a discount rate for larger users, as is so often mistakenly considered. The lower costs for larger consumptions merely reflect the cost of providing the service, and as such is an appropriate foundation upon which to determine the customer charge. While no cost study was made by Hudson in the instant case, the cost pattern is so well established as to minimize any serious questions concerning its propriety. A rate cost study as recently as 1972 for a New Hampshire municipal water utility, whose operation outside its municipal limits is subject to Commission jurisdiction, produced a decreasing scale of costs for increased water usage.

Average Rate Base

[3] It has been the Commission's policy to use an average rate base rather than an end of period rate base to test earnings. When an average rate base is used, revenues and expenses are correlated during a given period with the average investment during that period. The New Hampshire Supreme Court has concurred with this principle in several cases. See *Chicopee Mfg. Co. v Public Service*, (1953) 98 NH 5, 17, 98 PUR NS 187, 93 A2d 820. Since the test year has been projected to include changes in revenue and expenses, it is proper to use the average rate base of \$1,545,342 as stated on petitioner's Exhibit 10, Schedule VI. The Commission's formula deducts unfinished construction from the average rate base. In our opinion an average rate base of \$1,545,342 is deemed reasonable.

Cost of Capital

[4] We accept as cost of capital that listed on petitioner's Exhibit 11 except for the cost of 15% applied to common equity. The

Company submitted data and testimony on the cost of common equity capital. Basically the Company attempted to show that, based on an average yield of 6.2% for seventeen water utility stocks, that, with a payout of 50% to 60%, the Company would have to earn 10.3% to 12.4% to sell at book value, and arrived at a 15% return by assuming a mid-point on a premium to book

value of 125% to 150%.

We do not agree with the Company's analysis. Hudson Water Company is a 100% owned subsidiary of Consumers Water Company. The comparison of book value to market value at times has validity, but here we are dealing with a company whose stock is not traded and with an equity market that will, in many cases, not pay book value on new issues of utility and utility common stock issues.

We find that the cost of common equity is 11% for Hudson Water Company. This return will be sufficient to provide for reasonable dividends and to provide sufficient return to attract capital.

We further find that capital ratios and the composite cost of capital of 9.15% are equitable for Hudson Water Company as reflected in the following schedule:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

COST OF CAPITAL

Long-Term Debt

Series A
Series B
Series C

Total Bonds
Short Term Debt

Common Equity

Capital
Retained Earnings

Total Common Equity
Total Capital

Cost of Capital

Fair Rate of Return

[5] Cost of capital is by far the main element in a rate of return, and when determined, it marks the minimum rate of return to which the Company is lawfully entitled.

We find that 9.470 is a just and reasonable rate of return for Hudson Water Company. When applied to the average rate base of \$1,545,342, it will produce sufficient revenue to pay the operating expenses and capital costs of the business which include service on debt and dividends on the utility's stock. It is a return to provide for risk, to maintain Hudson Water Company's credit, to enable it to attract capital, and to assure confidence and stability in the financial status of the utility.

Revenue Increase

To establish just and reasonable rates to produce a return of 9.4% upon the Company's average rate base of \$1,545,342, a revenue increase of \$79,240 is necessary. There follows a schedule of the computation of the revenue increase:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

	<i>At Present Rates</i>	<i>At Allowed Rates</i>
	<i>Adjusted Results</i>	<i>Additional Requirements</i>
<i>Operating Revenues</i>	<i>\$ 311,511</i>	<i>\$ 79,240</i>
<i>Revenue Deductions:</i>		
<i>Operating Expenses</i>	<i>101,830</i>	<i>3,052</i>
<i>Depreciation</i>	<i>23,713</i>	
<i>Taxes:</i>		
<i>Federal and State</i>		
<i>Income</i>	<i>23,153</i>	<i>39,147</i>
<i>Other</i>	<i>54,594</i>	
<i>Total Revenue Deductions</i>	<hr/> <i>203,290</i>	<hr/> <i>42,199</i>
<i>Water Operating Income</i>	<hr/> <i>108,221</i>	<hr/> <i>37,041</i>
<i>Non-Operating Deductions -</i>		
<i>Net</i>	<i>69,734</i>	
<i>Net Income</i>	<hr/> <i>\$ 38,487</i>	<hr/> <i>\$ 37,041</i>
	<i>=====</i>	<i>=====</i>
<i>Average Rate Base</i>	<i>\$ 1,545,342</i>	
	<i>=====</i>	
<i>Rate of Return</i>	<i>7.0%</i>	

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that the revisions of its tariff, N.H.P.U.C. No. 7 — Water, as filed by the Hudson Water Company on June 29, 1973, which revisions were suspended by Commission Order No. 11,001 dated July 6, 1973, be, and hereby are, rejected; and it is

FURTHER ORDERED, that in accordance with the increase in rates authorized by this Report and Order, Hudson Water Company file new tariff pages as follows:

Sixth Revised Page 17, Issued in lieu of Fifth Revised Page 17 Sixth Revised Page 19, Issued in lieu of Fifth Revised Page 19 Sixth Revised Page 21, Issued in lieu of Fifth Revised Page 21

setting forth therein rates designed to produce an annual increase in gross revenue of seventy-nine thousand, two hundred forty dollars (\$79,240), such rates reflecting an equal percentage increase across the board on the present rate for all classes of service; and it is

FURTHER ORDERED, that the revised tariff pages incorporating all the above changes be filed to become effective with all current bills rendered on or after March 31, 1974, such tariff pages to carry the notation "Issued in compliance with Order No. 11,270 in case D-R6593"; and it is

FURTHER ORDERED, that Hudson Water Company give public notice of these new rates by publishing the same once prior to the effective date in a newspaper having general circulation in the territory served by said company.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of January, 1974.

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NH.PUC*01/29/74*[77284]*59 NH PUC 169*Union Telephone Company

[Go to End of 77284]

Re Union Telephone Company

D-F6517, Order No. 11,271

59 NH PUC 169

New Hampshire Public Utilities Commission

January 29, 1974

APPLICATION for authority to issue and sell additional shares of common stock; granted.

SECURITY ISSUES, § 96 — Common stock — Purposes.

[N.H.] A telephone company was authorized to issue additional common stock to its existing shareholders with proceeds to be used to pay off short-term debt or to finance additions or improvements to plant.

BY THE COMMISSION:

Report

By this unopposed petition, filed October 24, 1973 Union Telephone Company, a company duly organized under the Laws of this State, providing telephone service to subscribers in Alton, Barnstead, Center Barnstead, Gilmanton Iron Works, Farmington, New Durham and Strafford seeks authority pursuant to RSA 369 to issue and sell 4,000 shares of its common capital stock, \$25 par value, to be offered to stockholders of record June 5, 1973 at a price of \$35 per share at the rate of one new share for each share currently held.

At the hearing on the petition, held in Concord on January 9, 1974, a representative of the Company testified that the proposed common stock would be offered to its existing shareholders on the basis of one share for each share now held by a shareholder at a price of \$35 per share and with an oversubscription privilege as to any shares not subscribed for by other shareholders. There is no active market for the Company's stock and that, in his judgement, the offering of \$35 per share is a reasonable figure.

The petitioner further represented that the proceeds of the 4,000 shares of common stock would be used solely for one or more of the following purposes:

(a) To pay off short-term indebtedness outstanding at the time of sale, the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the Company's business.

(b) To reimburse the treasury for expenditures made for the purchase and construction of

additional such property; and

(c) To finance the purchase and construction of additional such property, and to defray the costs of this financing, or for other proper corporate purposes.

The following Balance Sheet, as of December 31, 1972 pro formed to reflect the issue of common stock was submitted by the petitioner.

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[Graphic(s) below may extend beyond size of screen or contain distortions.]

ASSETS

Telephone Plant
Less: Depreciation Res.

Net Plant
Cash
Accounts Receivable
Materials & Supplies
Prepaid Taxes
Other Payments

LIABILITIES

Capital Stock
Premium on Capital Stock
Other Capital Surplus
Earned Surplus
Funded Debt
Notes Payable
Accounts Payable
Customers' Deposits
Other Current Liabilities
Taxes Accrued
Other accrued items
Other Deferred Credits

Upon consideration of the evidence submitted, this Commission is satisfied that the proceeds of common stock proposed herein will be used to redeem and retire the Company's outstanding short-term indebtedness, the proceeds of which have been expended to pay for plant additions already made, such additions and improvements being of a kind reasonably requisite to the conduct of the petitioner's public utility business, or the balance of the proceeds will be expended to pay for further such plant additions; to reimburse the Treasury for other such plant additions, or for other lawful corporate purposes. Our order will issue accordingly.

Order

Upon consideration of the foregoing report which is made a part hereof; and

WHEREAS, by this unopposed petition, Union Telephone Company, a New Hampshire corporation (the "Company") seeks authority pursuant to RSA 369 to issue and sell not in excess of four thousand (4,000) shares of its common capital stock pursuant to a rights offering to its existing shareholders at a rate of one (1) share for each share held by them as of the close of

business on June 5, 1973 at a price of thirty-five dollars (\$35) per share; and

WHEREAS, the Company has represented that the proceeds of the four thousand (4,000) shares of common stock will be applied to repay bank loans incurred to finance construction or to finance present or future additions and improvements to its plant and equipment, and for other lawful purposes; and

WHEREAS, sufficient supporting data was submitted with the Company's petition and at the hearing thereon to enable the Commission to adjudicate the merits thereof; and

WHEREAS, this commission after investigation and consideration finds that granting the petition is consistent with the public good; it is

ORDERED, that Union Telephone Company be, and hereby is, authorized to issue and sell not in excess of four thousand (4,000) shares of its common capital stock at a price of thirty-five dollars (\$35) per share, such shares to be offered to the existing shareholders of the Company at the close of business June 5, 1973 at the rate of one (1) share for each share then held, with an over subscription privilege, such shares to be issued and sold in accordance with further

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terms and conditions set forth in the petition herein or as presented at the hearing; and it is

FURTHER ORDERED, that the proceeds from the sale of said common stock be used solely for one or more of the following purposes: (a) to pay off its outstanding short-term indebtedness; and (b) to finance present and future additions, and improvements to its plant, equipment and for other lawful corporate purposes; and it is

FURTHER ORDERED, that on January first and July first in each year Union Telephone Company shall file with this Commission a detailed statement, duly sworn to by its treasurer, showing the disposition of the proceeds of such common stock until the whole of such proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of January, 1974.

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NH.PUC*01/30/74*[77285]*59 NH PUC 171*Gas Service, Inc.

[Go to End of 77285]

Re Gas Service, Inc.

D-R6389, Second Supplemental Order No. 11,273

59 NH PUC 171

New Hampshire Public Utilities Commission

January 30, 1974

AUTHORIZATION to lift the suspension of a temporary gas price adjustment.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Gas Service, Inc., a public utility engaged in the business of supplying gas service in the State of New Hampshire, on January 2, 1974 filed with this Commission First Revised Page 2 of Supplement No. 3 (*Nashua*) and First Revised Page 2 of Supplement No. 4 (*Laconia*) to its tariff N.H.P.U.C. No. 4 — Gas, providing for a temporary gas price adjustment effective February 1, 1974; and

WHEREAS, by virtue of Supplemental Order No. 11,260 the Commission suspended the effective date thereof pending investigation and decision thereon; and

WHEREAS, further investigation and decision thereon indicate that the suspension may now be lifted; it is

ORDERED, that First Revised Page 2 of Supplement No. 3 (*Nashua*) providing for a temporary gas price adjustment of \$.0236 per therm and First Revised Page 2 of Supplement No. 4 (*Laconia*) providing for a temporary gas price adjustment of \$.0242 become effective February 1, 1974; and it is

FURTHER ORDERED, that Gas Service, Inc. give public notice of these temporary gas price adjustments by publishing copy of this order upon receipt, in a newspaper having general circulation in the territory served by said company.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of January, 1974.

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NH.PUC*01/30/74*[77286]*59 NH PUC 172*Manchester Gas Company

[Go to End of 77286]

Re Manchester Gas Company

D-R6390, Second Supplemental Order No. 11,274

59 NH PUC 172

New Hampshire Public Utilities Commission

January 30, 1974

IMPLEMENTATION of a temporary gas price adjustment clause.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Manchester Gas Company, a public utility engaged in the business of supplying gas service in the State of New Hampshire, on January 3, 1974 filed with this Commission First

Revised Page 2 of Supplement No. 2 to its tariff, N.H.P.U.C. No. 12 — Gas, providing for a temporary gas price adjustment effective February 4, 1974; and

WHEREAS, by virtue of Supplemental Order No. 11,259 the Commission suspended the effective date thereof pending investigation and decision thereon; and

WHEREAS, further investigation and decision thereon indicate that the suspension may now be lifted; it is

ORDERED, that First Revised Page 2 of Supplement No. 2 to the Manchester Gas Company tariff N.H.P.U.C. No. 12 — Gas providing for a temporary gas price adjustment of \$.0186 per therm become effective February 4, 1974; and it is

FURTHER ORDERED, that Manchester Gas Company give notice of this temporary gas price adjustment by publishing a copy of this order upon receipt in a newspaper having general circulation in the territory served by said company.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of January, 1974.

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NH.PUC*01/31/74*[77287]*59 NH PUC 172*Granite State Electric Company

[Go to End of 77287]

Re Granite State Electric Company

D-R6616, Order No. 11,275

59 NH PUC 172

New Hampshire Public Utilities Commission

January 31, 1974

ORDER granting an electric company a purchased power adjustment clause.

RATES, § 303 — Fuel clauses — Purchased power adjustment.

[N.H.] Where an electric company's rate of return was below its cost of capital and its supplier's wholesale rates had increased, the commission allowed it to implement a purchased power adjustment clause.

APPEARANCES: Philip H. R. Cahill for the petitioner.

BY THE COMMISSION:

Report

The Granite State Electric Company (the Company), a public utility engaged in the business of supplying electric service in the State of New Hampshire, on October 29, 1973, filed with this Commission Original Page 31, Second Revised Pages 23-A and 32-A, Third Revised Page 26-A, Fourth Revised Page 34 and Fifth Revised pages 18, 20 and 22 to its tariff, N.H.P.U.C. No. 6 — Electricity, providing for adjusting its rates to reflect changes in the cost of purchased power effective January 1, 1974, in the amount of two hundred forty thousand eight hundred seventy dollars(\$240,870).

On November 19, 1973, Order No. 11,179 was issued suspending the aforementioned filing pending hearing and investigation thereon.

A hearing was held on January 17, 1974, at the office of the Commission. The Company submitted testimony and other evidence showing that the rate of return presently being realized by the company is below its cost of capital. The Company receives its total power from New England Power Company (NEPCo), a supplier of bulk electricity to many electric utilities. The rate structure of NEPCo is under the jurisdiction of the Federal Power Commission, and, under the rules of that Commission, the rates charged to the Company by NEPCo have been increased on January 1, 1974, subject to refund.

The Commission finds that the Purchased Power Adjustment Clause, as submitted by the Company, will serve to offset the increased purchased power costs and that this tariff will not increase the Company's rate of return. The consumer is protected by provisions for refund on settlement of the NEPCo rate filing with the Federal Power Commission. The Company's tariff filing will cause the Purchased Power Adjustment increase to be applied in equal amounts to each KWH sold. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Original Page 36, Second Revised Pages 23-A and 32-A, Third Revised Page 26-A, Fourth Revised Page 34 and Fifth Revised Pages 18, 20 and 22 of the Granite State Electric Company Tariff N.H.P.U.C. No. 6 — Electricity, which were filed on October 29, 1973, providing for a purchased Power Adjustment Clause and which tariff pages were suspended by virtue of Order No. 11,179, issued November 19, 1973, are now made effective with service rendered on and after January 1, 1974; and it is

FURTHER ORDERED, that Granite State Electric Company file Original Page 36-A, showing the calculation of the Purchased Power Adjustment (.09¢ per KWH) in a manner similar to that shown on Exhibit No. 2 (Schedule 1) which was submitted at the hearing; and it is

FURTHER ORDERED, that Granite State Electric Company give public notice of this Purchased Power Adjustment Clause by publishing a copy of this order, upon receipt, in a newspaper having general circulation in the territory served by said Company.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of January, 1974.

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NH.PUC*01/31/74*[77288]*59 NH PUC 174*Gas Service, Inc.

[Go to End of 77288]

Re Gas Service, Inc.

D-R6552 and D-R6612 Order No. 11,276

59 NH PUC 174

New Hampshire Public Utilities Commission

January 31, 1974

PETITION by a gas company for a general rate increase; denied.

RATES, § 303 — Fuel clauses — Gas price adjustment.

[N.H.] The commission found a gas company did not need a general rate increase, but it allowed a temporary supplemental gas price adjustment to be implemented in order to prevent erosion of the company's earnings due to increased supply costs.

APPEARANCES: Frank B. Clancy for the petitioner.

BY THE COMMISSION:

Report

These proceedings were initiated on August 24, 1973, when Gas Service, Inc. (hereinafter sometimes referred to as the "Company") a public utility engaged in the business of supplying gas service in the State of New Hampshire, filed with this Commission certain revisions of its tariff, NHPUC No. 4 — Gas, providing for an increase in annual gross revenues of six hundred ten thousand dollars (\$610,000) effective September 24, 1973.

Pursuant to the authority vested in this Commission by RSA 378:6, on September 13, 1973, by Order No. 11,087, we suspended the proposed rate increase pending an investigation and public hearing, as authorized by the provisions of RSA 378:5.

On October 31, 1973 the Company filed Supplement Nos. 6, 7 and 8 to its tariff, NHPUC No. 4 — Gas, providing for a Temporary Supplemental Gas Price Adjustment, effective December 1, 1973.

Pursuant to the authority vested in this Commission by RSA 378:6 on November 16, 1973 by Order No. 11,171, we suspended the proposed temporary supplemental rate increase pending an investigation and public hearing, as authorized by the provisions of RSA 378:5.

The basic request for increased rates, filed August 24, 1973 and the request for a Temporary Supplemental Gas Price Adjustment, filed October 31, 1973 will be considered together in

establishing a just and reasonable overall level of rates.

Hearings were held at the Commission office on November 29, 1973 on the petition for a Temporary Supplemental Gas Price Adjustment, and on December 11, 1973 on the petition for an increase in basic rates.

At the hearings testimony and exhibits were submitted indicating a rate for a total increase in revenues of \$734,628, \$420,000 of proposed basic rate increase and \$314,628 estimated rates to be collected under the Temporary Supplemental Gas Price Adjustment.

The complexities of the Company's operations and changes caused by environmental factors have necessitated the expenditure of substantial time, both by the Company personnel and by Commission Staff, in order to obtain sufficient data and proper analysis of the data so that a fair result could ensue (e.g.: The Company expended approximately \$15,000 payable to outside consultants in preparation of the rate filings). Substantial material available to us, including a report filed with us by the Company in regular course and material ascertained by the Staff in direct communication with representatives of the Company, gives this Commission ample information on which to arrive at just and reasonable rates.

The Company alleges that its cost of common equity is 15.4%. The only comparative data attempted to be shown was reference to

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Providence Gas Company, a relatively thinly traded stock, listed on the American Stock Exchange. In the testimony it was stated that Providence Gas Company was selling "at six times earnings which is roughly fifteen percent on equity". We note that the actual return on average common equity for Providence Gas Company for the five years ended December 31, 1972 was approximately 7.6% and for the twelve months ended November 30, 1973 the return on common equity was approximately 9.8% (Source: Barron's and Moody's).

The Company's testimony clearly indicates that there is no active market for the Company's common stock. Isolated sales of approximately 2.6% of the shares outstanding in a twelve month period may not be reflective of the value of the Company. The Company failed to prove a cost of common equity remotely approximating the cost claimed.

In its submissions of exhibits and data and in its testimony, the Company sought to use as a test year an estimated or projected year ending August 31, 1974. The future year necessarily involved estimating and projecting every item on the financial statement for the year ending August 31, 1974. Important elements in these projections have been shown to be wrong.

We do not accept the use as a test year financial data estimated and projected twelve months into the future. Where well established trends and very probable changes can be ascertained with a high degree of assurance, appropriate consideration of the effects of these trends and probable changes will be given to the recently completed test year data.

The Company submitted data for the year ended August 31, 1973, with adjustments for known changes and estimates for the future. We accept the twelve months ended August 31, 1973, as being representative of current operations when properly adjusted, as the test year.

Substantial evidence was submitted showing that the cost of butane and propane used in the utility operations had increased very substantially. The price increases in these two products will cause a serious erosion to the Company's earnings unless adjustment is made for the increased costs.

Conclusions

I. *Temporary Supplemental Gas Price Adjustment*

Factors beyond the control of the Company have caused the costs of gas manufactured from propane and butane to increase very materially. We allow the implementation of the Company's Temporary Supplemental Gas Price Adjustment, based upon new estimates of usage recently submitted to this Commission, for propane and butane to be used in the utility operations. This Temporary Supplemental Gas Price Adjustment will allow the Company to collect only actual cost increases and will prevent these costs from causing a serious deterioration of the Company's earnings.

II. *Rate Base*

We have adjusted the average rate base for the test year, as submitted by the Company, for unfinished construction, customers deposits and allocation of inventory to L.P. Operations. We find that the rate base upon which the Company is entitled to have the opportunity to earn a fair rate of return is \$6,691,034.

III. *Rate of Return*

We find that the Company's cost of common equity is 11%. We accept the debt costs as filed by the Company. Based upon an 11% cost of common equity we find that the cost of capital is 9.04%.

We find that an overall rate of return of 9.2% is just and reasonable and should provide sufficient earnings to assure the financial integrity of the Company and permit it to attract the necessary capital.

IV. *Revenue Requirements*

We find that there is no need for an increase in basic rates. The Company's earnings for the test year, August 31, 1973, pro formed for the Temporary Gas Price Adjustment and adjustments for known changes, agreed to by the Company, are as follows:

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[Graphic(s) below may extend beyond size of screen or contain distortions.]

	<i>Actual Operations as Restated by the Company</i>	<i>Adjusted Adjustments Test Year</i>	
Revenues	\$ 5,125,429	\$	
Annualization - rate increase 1/1/73		\$ 62,548	
Interruptibles - approximate current rates		90,844	
TGPA- increase in costs billed to customer		253,925	
Total Revenues	\$ 5,125,429	\$ 407,317	\$ 5,532,746
Revenue Deductions			
Purchased Gas	\$ 2,215,757	\$	

Annualization – current rates		36,983	2,252,740
Propane	104,216		
Est. increase in costs		123,337	227,553
Butane	179,415		
Est. increase in costs		130,588	310,003
Other operating and maintenance expenses	1,362,774		
Service policy adjustment	\$	\$ (105,671)	
Other Expenses, net		27,888	
Promotional expenses		(25,351)	\$ 1,239,410
Allocation costs to L.P. Operations		(20,230)	
Depreciation and amortization	339,198		339,198
Taxes	459,616	110,485	570,101
Total Revenue Deductions	\$ 4,660,976	\$ 278,029	\$ 4,939,005
Rent from gas appliances	65,501		65,501
Net Utility operating income	\$ 529,954	\$ 129,288	\$ 659,242

Pro Forma net utility operating income, \$659,242, exceeds the fair rate of return for the test year, indicating no need for increasing the Company's basic rates. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Original Page 19-A; Second Revised Pages 19, 20, 21, 22 and 23; Fourth Revised Pages 14, 15, 16, 17 and 17-A; Fifth Revised Pages 17-B, 25, 26, and 33; Sixth Revised Page 29; and Seventh Revised Page 28 of tariff, NHPUC No. 4, Gas Service, Inc. which pages were filed on August 24, 1973 providing for an increase in basic rates, and which were suspended by Commission Order No. 11,087 dated September 13, 1973, be, and hereby are, rejected; and it is

FURTHER ORDERED, that Supplement No. 6 (Nashua Div.) and Supplement No. 8 (Laconia Div.) of tariff NHPUC No. 4, Gas Service, Inc., which supplements were filed on October 31, 1973 and suspended by Commission Order No. 11,171 dated November 16, 1973, be, and hereby are, rejected; and it is

FURTHER ORDERED, that in accordance with the terms of the foregoing report, Gas Service, Inc. file revised pages of Supplement Nos. 6 and 8, with pages numbered as follows:

Supplement No. 6 (Nashua Div.) providing for a temporary supplemental gas price adjustment of \$.0120 per therm —

First Revised Page No. 1, Issued in lieu of Original Page 1 First Revised Page No. 2,
Issued in lieu of Original Page 2

Supplement No. 8 (Laconia Div.) providing for a temporary supplemental price adjustment of \$.0038 per therm —

First Revised Page No. 1, Issued in lieu of Original Page 1 First Revised Page No. 2,
Issued in lieu of Original Page 2

and it is

FURTHER ORDERED, that the revised pages of Supplement No. 6 (Nashua) and the revised pages of Supplement No. 8 (Laconia) incorporating the changes be filed to become effective with the data of this order, the pages of such revised supplements to carry the notation "Issued in compliance with Order No. 11,276 in Case D-R6612 ([1974] 59 NH PUC 174); and it is

FURTHER ORDERED, that the suspension of Supplement No. 7 (Keene Div.) providing for a temporary supplemental gas price adjustment of \$.0949, which was suspended by Commission Order No. 11,171 dated November 16, 1973, be and hereby is, withdrawn to become effective with the date of this order; and it is

FURTHER ORDERED, that Gas Service, Inc. give public notice of these Temporary Supplemental Gas Price Adjustments (Nashua, Laconia, Keene Divisions) by publishing a copy of this order, upon receipt, in newspapers having general circulation in the areas affected.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of January, 1974

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NH.PUC*02/01/74*[77289]*59 NH PUC 177*Manchester Gas Company

[Go to End of 77289]

Re Manchester Gas Company

D-R6613, Order No. 11,277

59 NH PUC 177

New Hampshire Public Utilities Commission

February 1, 1974

APPROVAL of a temporary gas price adjustment clause.

RATES, § 303 — Fuel clauses — Gas price adjustment — Storage costs.

[N.H.] A gas company was allowed to implement a temporary gas price adjustment to cover increased costs associated with the storage of propane used to supplement natural gas supplies.

APPEARANCES: John R. McLane, Jr., for the petitioner.

BY THE COMMISSION:

Report

The Manchester Gas Company, on October 31, 1973 filed with this Commission Supplement No. 5 to its tariff, NHPUC No. 12 — Gas, providing for a Temporary Supplemental Gas Price

Adjustment effective December 1, 1973.

By Order No. 11,172 on November 16, 1973, the Commission suspended the proposed increase pending a hearing and investigation.

A hearing was held on the petition on November 29, 1973. The energy crisis has caused the market price for propane, used to supplement the supply of natural gas during peak periods, to increase materially. In order to ensure adequate supplies of propane for its utility operations Manchester Gas Company has incurred increased costs for storage of the propane. The proposed Temporary Supplemental Gas Price Adjustment provides for the collection of only increased costs over the prior year and any excess amounts collected are to be refunded to customers.

The Commission finds that the Temporary Supplemental Gas Price Adjustment will merely maintain Manchester Gas Company's necessary earnings level. Our order will issue accordingly.

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Order

Upon consideration of the foregoing report which is made a part hereof; it is

ORDERED, that Supplement No. 5 to tariff NHPUC No. 12 — Gas of Manchester Gas Company which supplement was filed with this Commission on October 31, 1973 and which supplement was suspended by Commission order No. 11,172 be, and hereby is rejected; and it is

FURTHER ORDERED, that Manchester Gas Company file revised pages Supplement No. 5 (including a new title page) providing for a temporary supplemental gas price adjustment of \$.0178 per therm with pages numbered as follows:

First Revised Page No. 1, Issued in lieu of Original Page No. 1 First Revised Page No. 2,
Issued in lieu of Original Page No. 2

and it is

FURTHER ORDERED, that the revised Supplement No. 5 be filed to become effective with all service rendered on and after January 1, 1974 and continue until all excess monies have been collected, the pages of such revised supplement to carry the notation "Issued in compliance with Order No. 11,277 Case D-R6613 ([1974] 59 NH PUC 177); and it is

FURTHER ORDERED, that Manchester Gas Company give public notice of this Temporary Supplemental Gas Price Adjustment by publishing a copy of the order, upon receipt, in a newspaper having general circulation in the area affected.

By order of the Public Utilities Commission of New Hampshire this first day of February, 1974.

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NH.PUC*02/01/74*[77290]*59 NH PUC 178*Granite State Electric Company

[Go to End of 77290]

Re Granite State Electric Company

DF 74-4, Order No. 11,278

59 NH PUC 178

New Hampshire Public Utilities Commission

February 1, 1974

AUTHORIZATION for an electric company to issue additional common stock.

SECURITY ISSUES, § 96 — Common stock — Purposes.

[N.H.] An electric company was authorized to issue and sell additional shares of common stock to its sole shareholder of record with the proceeds to be used to pay off short-term debt.

APPEARANCES: Robert King Wulff for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed January 9, 1974, Granite State Electric Company (the Company), a corporation duly organized under the Laws of this State, and conducting an electric public utility business therein, seeks authority, pursuant to RSA 369, to increase its authorized Capital Stock in the amount of and to issue and sell to its sole stockholder, New England Electric System for cash at par,

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10,000 additional shares of its common capital stock, \$100 par value per share, for purposes hereinafter set forth.

At the hearing on the petition, held in Concord on January 17, 1974, the Company represented that its authorized capital stock consists at present of 50,400 shares, \$100 par value, issued and outstanding, all of which are owned by New England Electric System. The Company also had outstanding, as of November 30, 1973, a total of \$8,300,000 in short-term notes payable to banks.

Granite State Electric Company represents that the proceeds from the issue and sale of the proposed issue of 10,000 additional shares of capital stock will be applied toward the payment of outstanding short-term notes payable, issued to pay for capitalizable construction expenditures or to reimburse the treasury therefor.

Certified copies of votes of petitioner's Board of Directors and Stockholders, complying with applicable statutory requirements as to corporate authorization, were put in evidence at the hearing. Evidence was also introduced that the provisions of RSA 369:15 will be complied with by the sale at par of all the shares herein proposed to be issued to the sole present stockholder,

New England Electric System. Statements showing that the Company's uncapitalized expenditures had increased in net amount by \$2,380,705 from November 30, 1972 to November 30, 1973, were submitted and supported by testimony.

Upon investigation and consideration of the evidence submitted, this Commission is satisfied that the proceeds of the proposed issue of capital stock will be applied toward the payment of outstanding short-term notes payable, issued to pay for capitalizable construction expenditures or to reimburse the treasury therefor. This Commission also finds that the granting of the authorizations and approvals sought herein is consistent with the public good; and accordingly authorizes and approves the proposed increase, issue and sale of 10,000 additional shares of capital stock, and the purposes to which the proceeds therefrom are to be applied. Our order will issue accordingly.

Order

Upon investigation of the foregoing report, which is made a part hereof; it is

ORDERED, that Granite State Electric Company be, and hereby is, authorized to issue and sell for cash at par ten thousand (10,000) shares of its common capital stock, \$100 par value per share; and it is

FURTHER ORDERED, that the proceeds of said common capital stock be applied to the payment of indebtedness incurred for, or to the cost of, or to the reimbursement of the treasury of the Company for capitalizable construction expenditures, and for other lawful corporate purposes; and it is

FURTHER ORDERED, that on or before January 1 and July 1 in each year, said Granite State Electric Company shall file with this Commission showing the disposition of proceeds in a detailed statement, duly sworn to by its Treasurer, or an Assistant Treasurer of the said securities, until the expenditures of the whole of said proceeds shall be fully accounted for.

By order of the Public Utilities Commission of New Hampshire this first day of February, 1974.

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NH.PUC*02/06/74*[77291]*59 NH PUC 180*Northern Utilities, Inc.

[Go to End of 77291]

Re Northern Utilities, Inc.

I-R14,179, Supplemental Order No. 11,281

59 NH PUC 180

New Hampshire Public Utilities Commission

February 6, 1974

LIFTING of suspension of a temporary purchased gas adjustment.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Northern Utilities, Inc., Allied Gas Division, a public utility engaged in the business of supplying gas service in the State of New Hampshire, on January 11, 1974 filed with this Commission Supplement No. 4 to its tariff, NHPUC No. 6 — Gas, providing for a temporary gas price adjustment effective February 14, 1974; and

WHEREAS, by virtue of Supplemental Order No. 11,256 of which the Commission suspended the effective date thereof pending investigation and decision thereon; and

WHEREAS, further investigation and decision thereon indicate that the suspension may now be lifted; it is

ORDERED, that Supplement No. 4 to the Northern Utilities, Inc., Allied Gas Division tariff NHPUC No. 6 — Gas providing for a temporary gas price adjustment of \$.0258 per therm become effective February 14, 1974; and it is

FURTHER ORDERED, that Northern Utilities, Inc., Allied Gas Division give public notice of this temporary gas price adjustment by publishing a copy of this order, upon receipt in a newspaper having general circulation in the territory served by said company.

By order of the Public Utilities Commission of New Hampshire this sixth day of February, 1974.

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NH.PUC*02/07/74*[77292]*59 NH PUC 180*Public Service Company of New Hampshire

[Go to End of 77292]

Re Public Service Company of New Hampshire

D-F6631, Order No. 11,282

59 NH PUC 180

New Hampshire Public Utilities Commission

February 7, 1974

AUTHORIZATION for the issuance of common stock and mortgage bonds.

1. SECURITY ISSUES, § 95 — Common stock — Mortgage bonds.

[N.H.] An electric company was authorized to issue and sell common stock and first mortgage bonds through negotiated public offerings. .Pg p. 181.

2. ACCOUNTING, § 48 — Electric — Increased fuel costs.

[N.H.] The proper method of accounting for increased fuel costs requires a company to reflect the amount to be recovered for these charges in the month in

which the increased fuel expenses were incurred. p. 181.

APPEARANCES: Ralph H. Wood for the petitioner.

BY THE COMMISSION:

Report

[1] By this petition, filed December 14, 1973, Public Service Company of New Hampshire (the "Company") a corporation duly organized and existing under the laws of the State of New Hampshire, and operating therein as an electric public utility under the jurisdiction of this Commission, seeks authority pursuant to the provisions of RSA 369, to issue and sell for cash, 650,000 shares of its common stock, \$5 par value, and \$20,000,000 of First Mortgage Bonds, Series S, due 2004.

At the hearing on the petition, held in Concord on January 31, 1974 the Company submitted that the proceeds of the sale of the common stock and the bonds will be used to pay off Short-term Notes outstanding at the time of the sale, the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the Company's business.

The Company further submitted that the securities will be sold through negotiated public offerings. The Company asserted that, a negotiated sale would result in terms at least as favorable as those that might be obtained through competitive sale.

The Company submitted a balance sheet as at November 30, 1973, actual and pro formed for the sale of these securities. Exhibits were also submitted showing; disposition of proceeds; estimated expenses of the issues; capital structure as at November 30, 1973 and pro formed for the sale of these securities. Projected financing requirements and estimated construction expenditures were outlined in testimony. Certified copies of votes of the Company's Board of Directors, complying with applicable requirements as to corporate authorization were put in evidence at the hearing.

[2] In view of the fact that the proper determination of revenues and net income has a direct bearing on a utility's financing, at the hearing the Commission Staff raised questions as to the Company's accounting and financial reporting policies in regard to fuel costs incurred above "base" fuel costs and subsequent recovery of these increased costs through billings to the consumers. The Company's witness described the accounting for these increased costs, indicating that these increased fuel costs were expensed in the month incurred even though these increases were recoverable and would be billed to consumers in subsequent periods. The examination of the witness, with reference to data filed by the Company with this Commission, brought out the materiality of these costs in relation to the reported net income of the Company and the importance of correctly stating net income, to reflect the actual economic impact of the Company's Fuel Adjustment Charge, for purposes of the proposed financing.

Subsequent to the hearing a conference with the Company was held at the Commission to further discuss the accounting treatment of increased fuel costs and the Fuel Adjustment Charge.

The Commission finds that the proper accounting for these increased fuel costs and the Fuel Adjustment Charge requires that the Company reflect the amount to be collected for these charges in the month in which the increased fuel costs are incurred. The accounting for the Fuel Adjustment Charge to be collected shall be recorded not of applicable income taxes, with appropriate classification of the deferred income taxes. This accounting policy should result in the financial statements properly reflecting the economic consequences of the Company's tariff provisions for the Fuel Adjustment Charge.

This Commission, by Order No. 11,226, dated December 21, 1973, allowed the Company the Fuel Adjustment Charge to be continued to be collected until September 30, 1974. It was and is the intent of this Commission that prior to September 30, 1974 the Company's need for the Fuel Adjustment Charge will be reexamined in light of operating

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and financial conditions then existing, with full consideration being given at such time to any need for modification or renewal of the existing clauses.

Upon investigation and consideration, the Commission is satisfied that the proceeds from the proposed financing will be expended to pay off a portion of the short-term notes outstanding at the time of the sale, the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the petitioner's business, and finds that the issue and sale of these securities will be consistent with the public good.

Our order will issue authorizing the issuance and sale of 650,000 shares of common stock, \$5 par value and \$20,000,000 of First Mortgage Bonds, to be sold through negotiated sales to underwriters who will make public offerings thereof, such sales to be at prices and on terms to be submitted to this Commission after negotiation, requiring a supplemental approval order before issue; and the mortgaging of the petitioner's present and future property as security for said Bonds.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell six hundred fifty thousand (650,000) shares of its common stock, \$5 par value, for cash in accordance with this report and as set forth in its petition; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell twenty million (\$20,000,000) of its First Mortgage Bonds, Series S, due 2004, for cash in accordance with this report and as set forth in its petition; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to mortgage its present and future property, tangible and intangible including franchises, as security for the first mortgage bonds; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire shall submit to this Commission the purchase price of said common stock and the purchase price and rate of interest of said First Mortgage Bonds. Following this required submission, a Supplemental Order will issue establishing the price of said common stock and the price and interest rate of the First Mortgage Bonds at which said securities shall be sold; and it is

FURTHER ORDERED, that the proceeds from the sale of said securities shall be used for the purpose of discharging and repaying outstanding short-term obligations of said Company, or for other lawful corporate purposes; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire furnish this Commission with copies of its registration statements, and any amendments thereto, when filed with the Securities and Exchange Commission; and it is

FURTHER ORDERED, that on January first and July first in each year, Public Service Company of New Hampshire shall file with this Commission a detailed statement, duly sworn by its Treasurer, showing the disposition of said securities being authorized until the expenditures of the whole of said proceed shall have been fully accounted for.

The Secretary of the Commission is hereby directed to issue the above order this seventh day of February, 1974.

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NH.PUC*02/07/74*[77293]*59 NH PUC 183*Public Service Company of New Hampshire

[Go to End of 77293]

Re Public Service Company of New Hampshire

D-F5920, Supplemental Order No. 11,283

59 NH PUC 183

New Hampshire Public Utilities Commission

February 7, 1974

ORDER increasing the limit for a company's issuance or renewal of short-term notes.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Public Service Company of New Hampshire, a New Hampshire Corporation, operating as a public utility in various towns and cities in this State, under the jurisdiction of this Commission, by Supplemental Order No. 11,164, dated November 14, 1973 (58 NH PUC 95), was granted an exception to the terms of Supplemental Order No. 7446, permitting it, from time to time, to issue and renew, for cash, its Note, or Notes, in an aggregate principal amount not exceeding fifty-two million dollars (\$52,000,000) and;

WHEREAS, the Company, by petition filed on February 4, 1974, seeks authority to increase

the exemption in said Order No. 11,164 to an amount not in excess of sixty million dollars (\$60,000,000) at any one time outstanding (not including any short-term notes to be retired with the proceeds of any such issue or renewal), including interest on bank borrowings at the prime rate or a rate based on the prime rate; and

WHEREAS, upon investigation given by the Commission of supporting data filed with the petition, this Commission finds that the proposed financing upon the terms set forth in the petition, is in the public interest; it is

ORDERED, that the Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell, and from time to time renew, for cash, its Note, or Notes, in an aggregate principal amount not exceeding sixty million dollars (\$60,000,000) at any one time outstanding (not including any short-term notes to be retired with the proceeds of any such issue or renewal; and it is

FURTHER ORDERED, that interest on bank borrowings will be at the prime rate or a rate or rates based on the prime rate.

FURTHER ORDERED, that Public Service Company of New Hampshire first obtain approval of this Commission before incurring short-term indebtedness in excess of the amount allowed by the terms of Supplemental Order No. 7446 of this Commission after June 1, 1974; and it is

FURTHER ORDERED, that on or before January first end duly first in each year, Public Service Company of New Hampshire shall file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of the proceeds of the Notes herein authorized until the expenditure of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this seventh day of February, 1974.

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NH.PUC*02/14/74*[77294]*59 NH PUC 184*New England Telephone and Telegraph Company

[Go to End of 77294]

Re New England Telephone and Telegraph Company

DE 74-10, Order No. 11,298

59 NH PUC 184

New Hampshire Public Utilities Commission

February 14, 1974

LICENSE granted to a telephone utility to construct underwater cables.

TELEPHONES, § 2 — Construction and equipment — Underwater cables.

[N.H.] A telephone company was authorized to place submarine cable in public waters in order to provide for present service and future growth.

BY THE COMMISSION:

Order

WHEREAS, by petition filed January 22, 1974, New England Telephone and Telegraph Company seeks a license pursuant to RSA 371:17 — 20 to construct and maintain under water cables across Lake Winnepesaukee in the Town of Tuftonboro; and

WHEREAS, the petition represents that the proposed construction will cross approximately five hundred (500) feet of the Lake and will consist of (2) 1 Pair "E" buried wires from the private property of Mr. Vernon Drowne of Whortleberry Island in the Town of Tuftonboro to private property of Mr. H. Edwin Shaul of Helen's Island in the Town of Tuftonboro and provide service to the said Shaul and others; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all of the facts before the Commission, it is found that the proposed construction is necessary to meet the reasonable requirements of the public; and in particular to provide telephone service to H. Edwin Shaul and for future growth in the New England Telephone and Telegraph Company's Wolfeboro Exchange, and that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is, granted to the New England Telephone and Telegraph Company to construct and maintain an underwater cable across Lake Winnepesaukee in the Town of Tuftonboro, all in accordance with the above description which is contained on a plan on file at the office of the Commission.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of February, 1974.

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NH.PUC*02/14/74*[77295]*59 NH PUC 185*John A. Long

[Go to End of 77295]

Re John A. Long

DE 74-11, Order No. 11,299

59 NH PUC 185

New Hampshire Public Utilities Commission

February 14, 1974

GRANT of authority to install an underwater cable.

CONSTRUCTION AND EQUIPMENT, § 5 — Underwater cables — Private citizens.

[N.H.] A private citizen was allowed to own, install and maintain a submarine cable in public waters between private properties.

BY THE COMMISSION:

Order

WHEREAS, by petition filed January 24, 1974, John A. Long seeks a license pursuant to RSA 371:17 — 20 to install, own and maintain an underwater cable across the public waters of Lake Winnepesaukee in the Town of Meredith; and

WHEREAS, the petition represents that the proposed construction will cross approximately four hundred twenty-five (425) feet of the Lake from Pole No. 36-283A on private property of Mr. A. Standish on Beaver Island in the Town of Meredith to private property of John A. Long on Middle Beaver Island in the Town of Meredith and provide service to the said Long and others; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all the facts before the Commission, it is found that the proposed construction is necessary to meet the reasonable requirements of the petitioner and that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is, granted to John A. Long to install, own and maintain an underwater cable under Lake Winnepesaukee in the Town of Meredith, all in accordance with the above description which is contained on a plan on file at the office of the Commission.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of February, 1974.

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NH.PUC*02/20/74*[77296]*59 NH PUC 185*Public Service Company of New Hampshire

[Go to End of 77296]

Re Public Service Company of New Hampshire

D-SF6205, Supplemental Order No. 11,307

59 NH PUC 185

New Hampshire Public Utilities Commission

February 20, 1974

MOTION for rehearing for clarification of an order; denied.

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PROCEDURE, § 33 — Rehearings — Grounds — Clarification.

[N.H.] The commission found no rehearing was necessary to clarify its order that an electric company obtain federal permits and licenses before proceeding with the construction of a nuclear generating unit.

BY THE COMMISSION:

Supplemental Order

WHEREAS, the applicant has filed a Motion for Rehearing with respect to a technical problem created by the language of the last paragraph of our Order No. 11,267 ([1974] 59 NH PUC 127); and

WHEREAS, the intent of this last paragraph was merely to emphasize that our authorization for construction and operation of the Seabrook plant would be conditional upon the applicant obtaining the necessary Atomic Energy Commission permits and/or

licenses; It is

ORDERED, that no hearing appears necessary to resolve this matter; and it is

FURTHER ORDERED, that so much of the last paragraph of Commission Order No. 11,267 as reads

" ... the authority granted herein be, and hereby is, conditional upon the applicant obtaining the necessary construction and operating permits and/or licenses from the U.S. Atomic Energy Commission." shall be, and hereby is, changed to read

" ... the exercise of the authority hereby granted to construct be, and hereby is, conditional upon the applicant obtaining the necessary construction permit or license from the U.S. Atomic Energy Commission, and to exercise the authority hereby granted to operate, upon the applicant obtaining the necessary operating permit or license from said Commission."

By order of the Public Utilities Commission of New Hampshire this twentieth day of February, 1974.

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NH.PUC*02/20/74*[77297]*59 NH PUC 186*Pennichuck Water Works

[Go to End of 77297]

Re Pennichuck Water Works

D-R6630, Supplemental Order No. 11,309

59 NH PUC 186

New Hampshire Public Utilities Commission

February 20, 1974

CORRECTION of an erroneous figure in a past water rate case.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Pennichuck Water Works filed Tariff N.H.P.U.C. No. 4 with this Commission on December 14, 1973 providing for an increase in gross revenue; and

WHEREAS, after investigation the Commission suspended said tariff by Order No. 11,231 dated December 27, 1973; and

WHEREAS, it appears that due to inadvertence Order No. 11,231 is internally inconsistent and ambiguous in that the amount of increase in annual gross revenue is improperly written; it is

ORDERED, that the words "two hundred and twenty-one thousand, five hundred twenty-two dollars, twenty-two cents" appearing in Order No. 11,231 should be changed to read "two hundred and six thousand, five hundred twenty-two dollars, twenty one

Page 186

cents" and that in all other respects Order No. 11,231 shall remain unchanged and in full force and effect.

By order of the Public Utilities Commission of New Hampshire this twentieth day of February, 1974.

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NH.PUC*02/22/74*[77298]*59 NH PUC 187*Northern Utilities, Inc.

[Go to End of 77298]

Re Northern Utilities, Inc.

I-R14,188, Order No. 11,310

59 NH PUC 187

New Hampshire Public Utilities Commission

February 22, 1974

APPROVAL of an interruptible rate contract between a gas company and a business corporation.

BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc., Allied Gas Division, a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Contract No. 16 with G T E Sylvania Incorporated, effective as of January 1, 1974, for interruptible gas service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof and that Contract No. 13 with Sylvania Electric Products, Inc., is hereby cancelled.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of February, 1974.

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NH.PUC*02/25/74*[77299]*59 NH PUC 187*Concord Natural Gas Corporation

[Go to End of 77299]

Re Concord Natural Gas Corporation

D-R6388, Supplemental Order No. 11,313

59 NH PUC 187

New Hampshire Public Utilities Commission

February 25, 1974

LIFTING of suspension of a temporary gas price adjustment.

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BY THE COMMISSION:

Supplemental Order

WHEREAS, Concord Natural Gas Corporation, a public utility engaged in the business of supplying gas service in the State of New Hampshire, on January 2, 1974 filed with this Commission First Revised Page 2 of Supplement No. 2 to its tariff, N.H.P.U.C. No. 13 — Gas, providing for a temporary gas price adjustment effective February 1, 1974; and

WHEREAS, by virtue of Supplemental Order No. 11,258 the Commission suspended the effective date thereof pending investigation and decision thereon; and

WHEREAS, further investigation and decision thereon indicate that the suspension may now be lifted; it is

ORDERED, that First Revised Page 2 of Supplement No. 2 to the Concord Natural Gas

Corporation tariff, N.H.P.U.C. No. 13 — Gas, providing for a temporary gas price adjustment of \$.0222 per therm become effective February 1, 1974; and it is

FURTHER ORDERED, that the Concord Natural Gas Corporation give public notice of this temporary gas price adjustment by publishing a copy of this order, upon receipt, in a newspaper having general circulation in the territory served by said company.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of February, 1974.

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NH.PUC*02/26/74*[77300]*59 NH PUC 188*Public Service Company of New Hampshire

[Go to End of 77300]

Re Public Service Company of New Hampshire

I-R14,185, Supplemental Order No. 11,314

59 NH PUC 188

New Hampshire Public Utilities Commission

February 26, 1974

ACCEPTANCE of a special rate contract between an electric utility and a lumber company.

BY THE COMMISSION:

Order

WHEREAS, Public Service Company of New Hampshire, a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 33 with Perras Lumber, Inc. effective on the date service first taken or sixty (60) days after service first made available, whichever is earlier, for electric service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of February, 1974.

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NH.PUC*02/26/74*[77301]*59 NH PUC 189*Concord Natural Gas Corporation

[Go to End of 77301]

Re Concord Natural Gas Corporation

D-R6614, Supplemental Order No. 11,315

59 NH PUC 189

New Hampshire Public Utilities Commission

February 26, 1974

REJECTION of a suspended supplemental gas price adjustment.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Supplement No. 5 of tariff N.H.P.U.C. No. 13 — Gas of Concord Natural Gas Corporation providing for a temporary supplemental gas price adjustment of \$.0038 per therm reflecting the increased cost of propane was filed with this Commission on October 31, 1973, which supplement was suspended by Commission Order No. 11,173 and a public hearing held at the Commission's office at two o'clock in the afternoon of the twenty-ninth day of November, 1973; and

WHEREAS, further investigation and decision thereon show that Supplement No. 5 of tariff N.H.P.U.C. No. 13 — Gas should not be permitted to become effective; it is

ORDERED, that Supplement No. 5 of tariff N.H.P.U.C. No. 13 — Gas of Concord Natural Gas Corporation be, and hereby is, rejected.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of February, 1974.

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NH.PUC*03/02/74*[77305]*59 NH PUC 193*Exeter and Hampton Electric Company

[Go to End of 77305]

Re Exeter and Hampton Electric Company

DF 74-31, Order No. 11,350

59 NH PUC 193

New Hampshire Public Utilities Commission

March 2S, 1974

PERMISSION to issue additional stock and bonds.

SECURITY ISSUES, § 95 — Common and preferred stock — Bonds — Purposes.

[N.H.] An electric company was authorized to issue additional cumulative preferred stock

and common stock and to issue first mortgage bonds with the proceeds to be used for repaying short-term debts or for financing additions and betterments.

APPEARANCES: Joseph S. Ransmeier for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition, filed February 25, 1974, Exeter and Hampton Electric Company, a corporation duly organized under the Laws of this State, and operating as an electric public utility in Exeter, Hampton and other towns in Rockingham County, seeks authority (a) to increase its authorized capital stock to 25,000 shares of Cumulative Preferred Stock, \$100 par value; and 300,000 shares of Common Stock, \$5 par value and (b) to issue and sell for cash 5,000 additional shares of its Preferred Stock, \$100 par value and \$1,000,000 of its First Mortgage Bonds, Series G, 8 7/8%.

At the hearing on the petition, held in Concord on March 21, 1974, a representative of the Company testified that the proposed Preferred Stock and Bonds had been privately placed, through Merrill, Lynch, Pierce, Fenner and Smith, Incorporated with specified institutional investors. The Preferred Stock is to be sold at par with a dividend rate of 8 3/4%. The Bonds are to be sold at par with an interest rate of 8 7/8%.

The manner of sale, the tenure of the issues and further details were presented at the hearing. It was stated at the hearing that, in the Company's judgement, the terms and manner of sale are advantageous to the Company.

The petitioner further represented that the proceeds of the issues would be used solely for one or more of the following purposes:

(a) To pay off short-term indebtedness outstanding at the time of sale, the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the Company's business.

(b) To reimburse the treasury for expenditures made for the purchase and construction of additional such property; and

(c) To finance the purchase and construction of additional such property, and to defray the costs of this financing, or for other proper corporate purposes.

The following Balance Sheet, as of December 31, 1973 proformed to reflect the issue was submitted by the petitioner:

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[Graphic(s) below may extend beyond size of screen or contain distortions.]

	<i>Actual</i>	<i>Adjustment</i>	<i>Proforma</i>
Fixed Capital-Electric (at original Cost)	\$12,550,235	-	\$12,550,235
LESS: Reserve for Depreciation	2,731,270	-	2,731,270
Net Fixed Capital	<u>9,818,965</u>	<u>-</u>	<u>9,818,965</u>

Non-Operating Property	1	-	1
Investments (at cost)	500	-	500
Current Assets:			
Cash	316,198	-	316,198
Accounts Receivable (including installment sales) Less Reserve of \$29,018	701,296	-	701,296
Materials and Supplies (at average cost)	266,379	-	266,379
Prepayments	36,986	-	36,986
	-		
Total Current Assets	1,320,859		1,320,859
Deferred Debits:			
Unamortized Debt Expense (Amortized over term of Securities)	44,054	-	44,054
Other	67,258	-	67,258
	-		
Total Deferred Debits	111,312	-	111,312
TOTAL	11,251,637		11,251,637
	=====	=====	=====
Capitalization	\$	\$	\$
Capital Stock			
Cumulative Preferred 5% (2,450 shares at \$100 par)	245,000	-	245,000
Cumulative Preferred 5% (3,150 shares at \$ 1 00 par)	315,000	-	315,000
Cumulative Preferred go (5,000 shares at \$100 par)	-	500,000	500,000
Common - (195,000 shares at \$5 par)	975,000	-	975,000
	-		
Total Capital Stock	1,535,000	500,000	2,035,000
Premium on Capital Stock	1,005,875	-	1,005,875
Capital Stock Expense	(49,393)	(37,000)	(86,393)
Earned Surplus	1,511,717	-	1,511,717
Total Capital Stock and Surplus	4,003,199	463,000	4,466,199
Long-Term Debt:			
First Mortgage, Series A, 3 3/4% Bonds due December 1, 1977	948,000	-	948,000
First Mortgage, Series B, 3 3/4% Bonds due January 15, 1981	425,000	-	425,000
First Mortgage, Series C, 5 5/8%, Bonds due January 15, 1985	445,000	-	445,000
First Mortgage, Series D, 4 3/4% Bonds due June 1, 1994	697,500	-	697,500
First Mortgage, Series E, 6 3/4%, bonds due January 15, 1998	665,000	-	665,000
First Mortgage, Series F, 8.70%, Bonds due November 15, 2001	1,300,000	-	1,300,000
First Mortgage, Series G, 8 7/8% Bonds due April 1, 2004	-	1,000,000	1,000,000
	-		
Total	4,480,500	1,000,000	5,480,500
LESS: Installments due within one year	49,500	-	49,500
	-		
Total Long-Term Debt	4,431,000	1,000,000	5,431,000
	-		
Total Capitalization	8,434,199	1,463,000	9,897,399
	=====	=====	=====
Current and Accrued Liabilities:			
Long-Term debt due within one year	49,500	-	49,500
Notes Payable	1,720,000	(1,463,000)	257,000
Accounts Payable	618,340	-	618,340
Dividends declared	81,888	-	81,888
Customers Deposits	52,860	-	52,860
Taxes Accrued	3,094	-	3,094

Interest Accrued	60,534	-	60,534
Miscellaneous Accruals	5	-	5
Total Current and Accrued Liabilities	2,586,221	(1,463,000)	1,123,221
<hr/>			
Deferred Credits:			
Unamortized Investment Tax Credit	118,132	-	118,132
Other	67,120	-	67,120
Total Deferred Credits	185,252	-	185,252
Reserves:			
Accumulated Deferred Federal Income Tax	19,782	-	19,782
Other	1,770	1,770	
Total Reserves	21,552	-	21,552
Contributions in Aid of Construction	24,413	-	24,413
Total	\$11,251,637	\$ -	\$11,251,637
	=====	=====	=====

Upon consideration of the evidence submitted, this Commission is satisfied that the proceeds of the issues proposed herein will be used to redeem and retire the Company's outstanding short-term indebtedness, the proceeds of which have been expended to pay for plant additions already made, such additions and improvements being of a kind reasonably requisite to the conduct of the petitioners public utility business, or the balance of the proceeds will be expended to pay for further such plant additions; to reimburse the treasury for other such plant additions, or for other lawful corporate purposes.

The Commission finds that an increase in the authorized capital stock of the Company to 25,000 shares of Cumulative Preferred Stock, \$100 par value and 300,000 shares of Common Stock, \$5 par value, is consistent with the public good. Our order authorizing the increase in the authorized capital stock of the Company will issue accordingly.

The Commission also finds that the issue of the Preferred Stock and First Mortgage Bonds upon the terms proposed is consistent with the public good. Our order authorizing the issue and sale of the securities will issue accordingly. Order

Upon consideration of the foregoing report which is made a part hereof; it is

ORDERED, that Exeter and Hampton Electric Company be, and hereby is, authorized to increase its authorized capital stock to twenty-five thousand (25,000) shares of Cumulative Preferred Stock, \$100 par value; and three hundred thousand (300,000) shares of Common Stock, \$5 par value; and it is

FURTHER ORDERED, that Exeter & Hampton Electric Company, be and hereby is, authorized to issue and sell for cash five thousand (5,000) shares of its Preferred Stock, at par, such shares to be issued and sold in accordance with terms and conditions set forth in the petition and presented at the hearing; and it is

FURTHER ORDERED, that Exeter and Hampton Electric Company be, and hereby is, authorized to issue and sell for cash one million dollars (\$1,000,000) of its First Mortgage Bonds, Series G, 8 7/8%, at par, such Bonds to be issued and sold in accordance with the terms and conditions set forth in the petition and presented at the hearing; and it is

FURTHER ORDERED, that Exeter and Hampton Electric Company be, and hereby is,

authorized to mortgage its present and future property, tangible and intangible including franchises, as security for the First Mortgage Bonds to be issued; and it is

FURTHER ORDERED, that the proceeds from the sale of said securities be used solely

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for one or more of the following purposes: (a) to pay off its outstanding short-term indebtedness; and (b) to finance present and future additions, and improvements to its plant, equipment, and for other lawful corporate purposes; and it is

FURTHER ORDERED, that on January first and July first in each year Exeter and Hampton Electric Company shall file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of the proceeds of such securities until the whole of such proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of March 1974.

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NH.PUC*03/05/74*[77302]*59 NH PUC 189*Public Service Company of New Hampshire

[Go to End of 77302]

Re Public Service Company of New Hampshire

D-F6631, Supplemental Order No. 11,328

59 NH PUC 189

New Hampshire Public Utilities Commission

March 5, 1974

AUTHORIZATION to issue and sell common stock and first mortgage bonds.

1. SECURITY ISSUES, § 96 — Common stock.

[N.H.] A company was allowed to issue common stock through negotiations with underwriters.

2. SECURITY ISSUES, § 95 — Mortgage bonds — Security.

[N.H.] A company was permitted to issue first mortgage bonds and to use any present or future property, including tangible and intangible property and franchise rights, as security for the bonds. p. 190.

BY THE COMMISSION:

Supplemental Order

WHEREAS, our Order No. 11,282, dated February 7, 1974, (59 NH PUC 180), issued in the above entitled proceeding, authorized Public Service Company of New Hampshire,

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inter alia, to issue and sell six hundred fifty thousand (650,000) shares of Common Stock, five dollars (\$5) par value, subject to further order of this Commission; and

WHEREAS, in compliance with said Order No. 11,282, following negotiations with underwriters, the Company has submitted to this Commission the details concerning the price and method of sale of said Common Stock, which contemplate the issue and sale of said Common Stock by the Company to underwriters who will make a public offering thereof, as set forth in the Underwriting Agreement between the Company and the underwriters, a copy of which is to be filed with the Commission, said Common Stock to be sold at a price to the Company of eighteen dollars and twenty-eight cents (\$18.28) per share; and

WHEREAS, after due consideration, it appears that the issue and sale of the Common Stock upon the terms, including the price, hereinabove set forth or referred to, is consistent with the public good; and

WHEREAS, said Order No. 11,282 also authorized Public Service Company of New Hampshire, inter alia, to issue its First Mortgage Bonds, Series S due 2004, in the principal amount of twenty million dollars (\$20,000,000), subject to further order of this Commission; and

WHEREAS, in compliance with said Order No. 11,282, following negotiations with underwriters the Company has submitted to this Commission details concerning the price of said Bonds and the interest rate thereon, said price being ninety-nine and fifty-five one hundredths percent (99.55%) of the principal amount, plus interest from March 1, 1974, to the date of delivery, and said interest rate being nine percent (9%) per annum, all in accordance with the Underwriting Agreement, a copy of which is to be filed with the Commission, establishing a cost of money to the Company of nine and four one hundredths percent (9.04%) to maturity; and

WHEREAS, after due consideration, it appears that the issue and sale of the Bonds hereinabove described under the terms and conditions of the Company's First Mortgage, dated as of January 1, 1943, together with all Indentures supplemental thereto, including the Twentieth Supplemental Indenture, dated as of March 1, 1974, upon the terms, including the price and interest rate, hereinabove set forth or referred to, is consistent with the public good; it is

[1] ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell at a price of eighteen dollars and twenty-eight cents (\$18.28) per share in cash six hundred fifty thousand (650,000) shares of its Common Stock, five dollars (\$5) par value, said Stock to be sold at said price of eighteen dollars and twenty-eight cents (\$18.28) per share to underwriters who will make a public offering thereof, as set forth in the Underwriting Agreement between the Company and the underwriters; and it is

[2] FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell for cash, its First Mortgage Bonds, Series S due 2004, in the

principal amount of twenty million dollars (\$20,000,000) at a price of ninety-nine and fifty-five one hundredths percent (99.55%) of the principal amount, plus accrued interest from March 1, 1974, said Bonds to bear interest at the rate of nine percent (9%) per annum; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to mortgage its present and future property, tangible and intangible, including franchises, as security for the Bonds hereinabove authorized; and it is

FURTHER ORDERED, that all other provisions of said Order No. 11,282 of this Commission are incorporated herein by reference.

By order of the Public Utilities Commission of New Hampshire this fifth day of March, 1974.

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NH.PUC*03/06/74*[77303]*59 NH PUC 191*Granite State Electric Company

[Go to End of 77303]

Re Granite State Electric Company

DF 74-22, 23rd Supplemental Order No. 11,330

59 NH PUC 191

New Hampshire Public Utilities Commission

March 6, 1974

EXTENSION of exception allowing an electric company to issue certain short-term notes without prior commission approval.

BY THE COMMISSION:

Supplemental Order

WHEREAS, by the Twenty-Second Supplemental Order No. 11,176 of this Commission, dated November 16, 1973 (58 NH PUC 99), Granite State Electric Company was granted an exception permitting it, from time to time, to issue and renew its Bonds, Notes, or other evidences of indebtedness, payable less than twelve (12) months after the date thereof, in an aggregate amount thereof outstanding at any one time (not including any such indebtedness which is to be retired with the proceeds of any such issue or renewal) not in excess of eight million five hundred thousand dollars (\$8,500,000), which extension expires March 31, 1974, unless such period is extended by order of this Commission; and

WHEREAS, Granite State Electric Company, on February 13, 1974 sought authority to continue the exemption in said Order No. 11,176 to March 31, 1975 conforming to filing dates with the Securities and Exchange Commission in an increased amount of nine million dollars (\$9,000,000); and

WHEREAS, this Commission after investigation and consideration finds that said request is

consistent with the public good: it is

ORDERED, that Granite State Electric Company, without first obtaining the approval of this Commission, be, and hereby is, authorized, from time to time, to issue and renew its Notes, Bonds, and other evidences of indebtedness, payable less than twelve (12) months from the date thereof, in an aggregate amount thereof outstanding at any one time (not including any such indebtedness which is to be retired with the proceeds of any such issue or renewal), not in excess of nine million dollars (\$9,000,000); and it is

FURTHER ORDERED, that the exception contained herein shall expire March 31, 1975, unless such period is extended by order of this Commission; and it is

FURTHER ORDERED, that on January first and July first in each year, said Granite State Electric Company shall file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of the proceeds of said Notes, Bonds, or other evidences of indebtedness.

By order of the Public Utilities Commission of New Hampshire this sixth day of March, 1974

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NH.PUC*03/06/74*[77304]*59 NH PUC 192*New England Power Company

[Go to End of 77304]

Re New England Power Company

DF 74-23, Fourth Supplemental Order No. 11,331

59 NH PUC 192

New Hampshire Public Utilities Commission

March 6, 1974

EXTENSION of exception permitting an electric company to issue certain short-term notes without prior commission approval.

BY THE COMMISSION:

Supplemental Order

WHEREAS, by Order No. 11,177 of this Commission, dated November 16, 1973 (58 NH PUC 100), New England Power Company was granted permission, from time to time, to issue and renew its Bonds, Notes, or other evidences of indebtedness, payable less than twelve (12) months after the date thereof, in an aggregate amount outstanding at any one time (not including any such indebtedness which is to be retired with the proceeds of any such issue or renewal), not in excess of one hundred five million dollars (\$ 105,000,000) which permission expires March 31, 1974 unless such period is extended by order of this Commission; and

WHEREAS, New England Power Company, on February 13, 1974, sought authority to

continue the permission under Supplemental Order No. 11,177 to March 31, 1975, conforming to filing dates with the Securities and Exchange Commission in an increased amount of one hundred twenty-four million dollars (\$124,000,000); and

WHEREAS, this Commission, after investigation and consideration, finds that said request is consistent with the public good; it is

ORDERED, that New England Power Company, without first obtaining the approval of this Commission be, and hereby is, authorized, from time to time, to issue and renew its Notes, Bonds, or other evidences of indebtedness payable less than twelve (12) months from the date thereof, in an aggregate amount thereof outstanding at any one time (not including any such indebtedness which is to be retired with the proceeds of any such issue or renewal), not in excess of one hundred twenty-four million dollars (\$124,000,000); and it is

FURTHER ORDERED, that the permission contained herein shall expire March 31, 1975, unless such period is extended by order of this Commission; and it is

FURTHER ORDERED, that on January first and July first in each year said New England Power Company shall file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of proceeds of said Notes, Bonds, or other evidences of indebtedness, until the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this sixth day of March, 1974.

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NH.PUC*04/02/74*[77306]*59 NH PUC 196*Manchester Gas Company

[Go to End of 77306]

Re Manchester Gas Company

I-E14,204, Order No. 11,356

59 NH PUC 196

New Hampshire Public Utilities Commission

April 2, 1974

APPROVAL of a special rate contract between a gas company and a laundry.

BY THE COMMISSION:

Order

WHEREAS, Manchester Gas Company, a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No 14 with Crystal Laundry & Dry Cleaners, Inc., effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that

special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this second day of April, 1974.

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NH.PUC*04/02/74*[77307]*59 NH PUC 196*Waterville Estates Water Works, Inc.

[Go to End of 77307]

Re Waterville Estates Water Works, Inc.

I-R14,211, Order No. 11,357

59 NH PUC 196

New Hampshire Public Utilities Commission

April 2, 1974

APPROVAL of a special rate contract between a water company and a village association.

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BY THE COMMISSION:

Order

WHEREAS, Waterville Estates Water Works, Inc., a utility selling water under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 1 with the Association of Owners of Hodgman Hill Village, et al, effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this second day of April, 1974.

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NH.PUC*04/03/74*[77308]*59 NH PUC 197*New Hampshire Electric Cooperative, Inc.

[Go to End of 77308]

Re New Hampshire Electric Cooperative, Inc.

D-R6615, Order No. 11,360

59 NH PUC 197

New Hampshire Public Utilities Commission

April 3, 1974

APPLICATION by an electric cooperative for an increase in rates; granted.

1. RATES, § 288 — Minimum charges — Increased wholesale rates.

[N.H.] An electric cooperative's rate schedule was redesigned to account for increased wholesale prices and cost of service and to provide realistic minimum charges for specific services. p. 198.

2. RATES, § 251 — Rate schedule — Industrial power rate — Cancellation.

[N.H.] A low industrial power service rate was ordered to be eliminated from an electric cooperative's rate schedule over a two year period to reduce the impact an immediate rate increase might have. p. 198.

APPEARANCES: Mayland H. Morse, Jr. for the petitioner; Rexford Roberts, hearing examiner for the public service board for the state of Vermont.

BY THE COMMISSION:

Report

The New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the State of New Hampshire, on November 5, 1973 filed with this Commission its Tariff, N.H.P.U.C. No. 6 — Electricity (superseding Tariff N.H.P.U.C. No. 5), providing for an increase in annual gross revenues of one thousand three hundred thirteen dollars (\$1,313) proposed to become effective December 6, 1973. This Commission by virtue of Order No. 11,168 dated November 15, 1973 suspended the effective date of N.H.P.U.C. No. 6.

On February 13, 1974, this Commission issued a notice of hearing scheduling a public hearing to be held on March 5, 1974 at 10:00 a.m. at its offices at 26 Pleasant Street, Concord, New Hampshire. By cooperation

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with the Public Service Board of the State of Vermont, arrangements were made prior to the hearing for this proceeding to constitute a joint hearing before this Commission and the Public Service Board of the State of Vermont. It should be noted that a small portion of the petitioner's system serves about 259 customers in the State of Vermont of the approximately 36,000 total customers of the New Hampshire Electric Cooperative, Inc.

At the hearing on March 5, 1974 the Company proposed a general revision of its tariff consistent with the four percent (4%) rate of return found by the Commission to provide a

reasonable profit margin to the Company under its finding of November 17, 1972 in D-R6239 pursuant to which Order No. 10,792 issued on that date. These proceedings did not propose any change in the foregoing rate of return.

Rates

[1] The revised tariff (No. 6) proposes a redesign of certain rates, and certain changes in structure, that would enable the company to recover the increased wholesale cost of power to it from its several suppliers (Order No. 11,167 ([1973] 58 NH PUC 98) issued November 14, 1973 authorized a factor of adjustment of 3.763% and ordered the company to fold that factor into its basic rates without undue delay). The tariff was further designed to reflect the concurrent increased cost of service and to provide realistic minimum charges consistent with the same, i.e. reasonable energy blocks and rates allocated to specific services.

Specifically the cost of temporary service is to be revised from fifteen dollars (\$15) to twenty-five dollars (\$25), provision for promotional allowances deleted, and the seasonal residential service is proposed to be abolished.

The handling of the fuel adjustment and the determination of the same is to be changed to recognize cost of fuel surcharged by all wholesale power suppliers to the company.

The Residential Rate is to be redesigned with an appropriate minimum charge, and energy blocks and rates reflecting the increased cost of service and power cost; as is the Uncontrolled Water Heating rate (DWH). The Uncontrolled Water Heating Rate (DQR) is to be frozen to provide that only existing customers would be served.

Space Heating (DSH) and the General Service rate (G) are to be calibrated to new energy blocks and rates, reflecting increased costs of service and power costs. The minimum charges for "G" rate customers are to be increased to make them consistent with minimums established for "D" rate customers.

Space Heating (GSH) is to be revised to allow space heating and uncontrolled water heating to be billed under one meter when applicable. In addition, air-conditioning is to be billed at this rate when it is an integral part of the space heating equipment.

[2] The Industrial Power Service is to be frozen and service limited to existing locations. Even though the energy blocks and rates are to be revised to reflect the increased cost of power to the customers; the rates were too low to start with, and are too low even at the proposed rates, hence the company has designed a new "PG" rate. To move these customers at this time to the new "PG" rate would result in substantial increases to them. It is the Company's intention to eliminate this rate entirely in the near future, and we concur with this objective, since it would be discriminatory to continue service to a similar category of customers at lower rates than to another. Extending the transfer period will, however, minimize the impact of the increase. Furthermore, we will expect the company to negotiate with the customers on this rate to the end that transfers to the new "PG" rate can be accomplished prior to its elimination.

A new rate (Primary General) is to be added to provide for customers that qualify for that service which is no longer available under the "PI" rate.

Outdoor Lighting rates per fixture are to be increased to reflect increased power cost, and Employee Residential rates are to be revised for similar reasons.

A test year from August 1, 1972 to July 31, 1973 was detailed in Exhibit 1 showing the 11.26 percent surcharge initially imposed by Public Service Company of New Hampshire prior to the final order of the Federal Power Commission. Exhibit 2 covering the same

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period detailed the effect of present rates with the Federal Power Commission allowed energy surcharge to the Public Service Company of 8.763 percent included. This developed a figure of six hundred ten thousand nine hundred sixty-six dollars (\$610,966). The rate increase pro-formed to the calendar year 1973 for the power supply and cost schedule of the Cooperative resulted in added revenues of one hundred seventy four thousand nine hundred eighty dollars (\$174,980) aggregating thereby the total of seven hundred eighty-five thousand nine hundred forty-six dollars (\$785,946), as shown on Exhibit 4.

A statement of income at present and proposed rates pro-formed for the year ending December 31, 1973 was detailed on Exhibit 4. For the year ending December 31, 1973 assets and other debits were detailed on Exhibit 5 and statement of income and expenses for the same period were set forth in Exhibit 6.

The Company presented witnesses and exhibits to support the rate increase and a revision of their tariff schedules to include the fuel adjustment charge. Exhibit 4 "Statement of Pro Forma Income at Present and Proposed Rate for the Year Ended December 31, 1973" reflected that the Company had a rate of return of 4.12 percent on an average rate based on twenty million one hundred eighty thousand two hundred seventeen dollars (\$20,180,217). In reviewing the calculations of rate base, the Company included purchased power in the amount of four hundred seventy-nine thousand three hundred forty-nine dollars (\$479,349) in which it was brought out at the hearing that it had a lag in collecting from the customer this amount of money. We have calculated the rate base with the purchased power not included and the rate of return amount to 4.23 percent. Revenues also fell short of the requirements imposed upon the Cooperative by its borrowing sources of 1 1/2 times interest on debt. Under the proposed rate revision in N.H.P.U.C. Tariff No. 6 both requirements would be met. It should be noted, however, that the proposed new rates allowing for the increased power costs from all suppliers of wholesale power to the Company did not reflect the increased costs occasioned by labor cost increases on October 1, 1973 nor do they allow for the inflationary effect on costs of materials and supplies.

We find that the tariff provisions are reasonable and are necessary to assure the continuity of adequate and reliable service, and are in the best interest of the public. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that New Hampshire Electric Cooperative, Inc. tariff, N.H.P.U.C. No. 6 — Electricity (superseding tariff N.H.P.U.C. No. 5 — Electricity) which was filed on November 5, 1973 for effect December 6, 1973 and suspended by virtue of Order No. 11,168 issued November 15, 1973, be redated and made effective with all current bills rendered on or after the date of this order; and it is

FURTHER ORDERED, that tariff N.H.P.U.C. No. 6 — Electricity carry the notation "Issued in compliance with Order No. 11,360 in Case D-R6615 ([1974] 59 NHPUC 197)"; and it is

FURTHER ORDERED, that the "PI" rate which has been frozen by the Company is to be continued as an effective rate no longer than twenty-four (24) months from the date of this order; and it is

FURTHER ORDERED, that New Hampshire Electric Cooperative, Inc. give public notice of these new rates and tariff changes by publishing the same once immediately following receipt of this order in a newspaper having general circulation in the territory served by said company.

By order of the Public Utilities Commission of New Hampshire this third day of April, 1974.

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NH.PUC*04/04/74*[77309]*59 NH PUC 200*Merrimack County Telephone Company

[Go to End of 77309]

Re Merrimack County Telephone Company

I-F14,132, Order No. 11,364

59 NH PUC 200

New Hampshire Public Utilities Commission

April 4, 1974

AUTHORIZATION for a telephone company to issue additional common stock and to issue stock for a stock dividend.

BY THE COMMISSION:

Order

WHEREAS, Merrimack County Telephone (the "Company"), duly organized and existing under the laws of the State of New Hampshire, doing business as a telephone utility corporation under jurisdiction of this Commission, by petition filed October 9, 1973, seeks authority, pursuant to RSA 369, to increase its authorized common stock, \$25 par value, from 4,000 to 10,000 shares and to issue 6,240 shares of its common stock to present common stockholders payment of a 300% stock dividend; and

WHEREAS, the Company has filed financial statements, including a balance sheet pro-formed for this recapitalization, and certified copies of votes of stockholders and directors authorizing this recapitalization; and

WHEREAS, the Commission finds that the issuance of such stock, upon the terms proposed, in order to effect a 300% stock dividend, is consistent with the public good; it is

ORDERED, that Merrimack County Telephone Company be, and hereby is authorized to increase the number of shares of its common stock authorized to be issued from 4,000 to 10,000 shares and to issue 6,240 shares of its common stock to its present stockholders in payment of a

300% stock dividend; and it is

FURTHER ORDERED, that within ninety days after affecting its changes in its capitalization, authorized by this order, that the Company file with this Commission a balance sheet duly sworn to by its Treasurer, incorporating the entries on the Company's balance sheet.

By order of the Public Utilities Commission of New Hampshire this fourth day of April, 1974.

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NH.PUC*04/05/74*[77310]*59 NH PUC 200*Concord Electric Company

[Go to End of 77310]

Re Concord Electric Company

DE 74-28, Order No. 11,367

59 NH PUC 200

New Hampshire Public Utilities Commission

April 5, 1974

LICENSE for the construction of overhead electric transmission lines.

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ELECTRICITY, § 7 — Authorization for transmission lines.

[N.H.] An electric company was authorized to construct overhead lines crossing state land used for a prison where the lines would not affect the use of the land.

BY THE COMMISSION:

Order

WHEREAS, by petition filed February 13, 1974 Concord Electric Company seeks a license pursuant to RSA 371:17-21 to construct and maintain an overhead electric transmission line for the distribution of electric energy; and

WHEREAS, the petitioner represents that the proposed construction will cross a tract of land owned by the state of New Hampshire and believed to be used by the New Hampshire State Prison for pasturage purposes which lies between said land of Weeks — Concord Dairy easterly of North State Street and the Boston and Maine right of way wherein transmission line #34 is located, all as shown on a Plan entitled "Distribution Supply to Weeks — Concord Dairy Plan and Profile", Concord Electric Company Drawing C-2-1257, dated December 21, 1973 on file with this Commission; and

WHEREAS, it appears that all interested parties are in agreement, objections having been

recorded, the Commission finds that the proposed construction is necessary to meet the reasonable requirements of the petitioner and that the license sought may be issued and exercised by the petitioner without substantially affecting the public lands crossed; it is

ORDERED, that a license be and hereby is granted to the Concord Electric Company to construct and maintain an overhead electric transmission line, all in accordance with the description on the aforementioned plant on file with this Commission; and it is

FURTHER ORDERED, that the Concord Electric Company pay the State of New Hampshire one hundred dollars (\$100) as damages; and it is

FURTHER ORDERED, that all other terms and conditions as set forth in the petitioners petition, to which no objection has been made, be and hereby are granted.

By order of the Public Utilities Commission of New Hampshire this fifth day of April, 1974.

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NH.PUC*04/16/74*[77311]*59 NH PUC 201*Public Service Company of New Hampshire

[Go to End of 77311]

Re Public Service Company of New Hampshire

DE 74-69, Order No. 11,384

59 NH PUC 201

New Hampshire Public Utilities Commission

April 16, 1974

APPOINTMENT of guardians ad litem for unknown person with possible interests in land that is the subject of a condemnation proceeding associated with a proposed nuclear generating unit.

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BY THE COMMISSION:

Order

WHEREAS, the Commission has before it a Petition for Condemnation filed on April 9, 1974 by the Public Service Company of New Hampshire; and

WHEREAS, said petition describes certain land proposed to be taken; and

WHEREAS, it appears from land records that there are persons having an interest therein who are unknown or whose residences are unknown; and

WHEREAS, it also appears that there are persons having an interest therein who may be under a disability but who are not under a legal guardianship; it is

ORDERED, that pursuant to RSA 371:5 and RSA 371:6;

a) E. Paul Kelly, 40 Bay Street, Manchester, N. H., is appointed *Guardian Ad Litem* for persons unknown and/or whose residences are unknown;

b) George Findell, Jr., 12 South Main Street, Rochester, N. H., is appointed *Guardian Ad Litem* for persons who may be under a disability but for whom no guardian has been appointed.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of April, 1974.

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NH.PUC*04/19/74*[77312]*59 NH PUC 202*Public Service Commission of New Hampshire v Lovejoy Granite Company

[Go to End of 77312]

Public Service Commission of New Hampshire

v

Lovejoy Granite Company

D-E6464, Supplemental Order No. 11,389

59 NH PUC 202

New Hampshire Public Utilities Commission

April 19, 1974

MOTION to transfer to the state supreme court the issue of damages in an eminent domain case; granted.

BY THE COMMISSION:

Supplemental Order

The Commission having before it a Motion filed April 4, 1974 for, and on behalf of, the Public Service Company of New Hampshire to certify and transfer to the Supreme Court the question whether or not the provisions of RSA 371:1-a or of RSA 498-A:1 govern the determination of the issue of damages arising in cases of eminent domain concerning public utility facilities; after full consideration of the allegations in said Motion, is of the opinion, and the order is that said Motion to Certify be, and hereby is, granted.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of April, 1974.

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NH.PUC*04/24/74*[77313]*59 NH PUC 203*Valcom, Inc.

[Go to End of 77313]

Re Valcom, Inc.

Intervenors: Comex, Inc. and New Hampshire Telephone Association

D-E6592

59 NH PUC 203

New Hampshire Public Utilities Commission

April 24, 1974

APPLICATION for authority to operate as a public utility and provide mobile radio telephone service; denied.

MONOPOLY AND COMPETITION, § 24 — Franchise rights — Mobile telephone.

[N.H.] A communications company was denied public utility status to interconnect mobile telephone and paging services to land lines where another company already had protected franchise rights in the area and was providing adequate service.

APPEARANCES: Howard Myers for the petitioner; Robert Chiesa for Comex, Inc.; Alderic O. Violette for the New Hampshire Telephone Association.

BY THE COMMISSION:

Report

By letter petition filed October 9, 1973, Valcom, Inc., a corporation duly organized under the Laws of the State of New Hampshire, seeks a finding under RSA 362:2 that it be classified as a public utility and that it be granted authority to provide service to New Hampshire towns located within a forty (40) to fifty (50) mile radius of its transmitter on Mt. Ascutney in Vermont. Mobile telephone and paging service interconnected to a land line telephone is intended.

At the hearing on the petition, which was held in Concord on February 20, 1974, the following facts were submitted in support of the petition. James E. Proctor, President of Valcom, Inc., testified that Valcom is presently operating a paging service and message-handling service for its mobile customers. He testified that the mobile service would be improved by direct connections between land telephone customers and mobile customers, which the New England Telephone Company was prepared to permit upon authorization of this Commission of Valcom's petition. Testimony was introduced to show that the present business of Valcom had continued to grow and that there was a need for the improved service to be offered. He further testified that application has been made to the Federal Communications Commission to modify Valcom's West Lebanon station license to permit transfer to the Mt. Ascutney site, and while the application has been on file for about five (5) months it is reasonable to assume that it will be granted some time this summer, since no protests were filed. The record shows that Comex, Inc. filed with the Federal Communications Commission on March 9, 1972 a petition to dismiss the application of Valcom, Inc. for a construction permit for its West Lebanon station.

The position of the New Hampshire Telephone Association is that it asks the Commission to protect the rights of the independent telephone companies in a manner similar to that in an earlier Commission order (Order No. 10,252 in D-E5951). The New England Telephone and Telegraph Company also took the same position in a letter filed in connection with the case.

Comex, Inc. objects to the granting of Valcom's petition on the grounds that Comex has already been granted exclusive authority (excepting wireline telephone utilities) by this Commission (D-E5951) covering the same territory; and that on the basis of such authority Comex has obtained a Federal Communications Commission license and expended

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time and money leading towards its providing comparable service in the area.

In the above case involving Comex, Inc., the Commission stated:

"Objection to granting this petition was entered by Mrs. Stephen Whitney, representing Concord Telephone Answering Service, on the grounds that it might want to furnish this service to its customers at some future time, and would be unable to should Comex be granted an exclusive franchise. *A public utility traditionally possesses a protected franchise area in order to promote the capital investment necessary to furnish service to prospective subscribers. A protected franchise also prevents unnecessary and uneconomic duplication of facilities. Should any utility be unable, or unwilling, to meet the reasonable needs of the public, or to provide reasonably adequate service, then its franchise and authority to operate can always be revoked, or amended, to permit others to provide the service.*" (Emphasis added)

Valcom was aware of this exclusive grant to Comex, as evidenced by a letter of March 16, 1972 from this Commission to Valcom's (Hanover Telephone Answering Service) attorney. Evidence submitted indicates that Comex applied to the Federal Communications Commission for the authority to construct the necessary transmitter on October 6, 1970, which permit was issued on November 2, 1972. Equipment was then ordered and an extension of construction time was requested on July 26, 1973. The Federal Communications Commission form indicates call letters have been established (KCC797) and frequencies assigned (459.275 and 454.275 MHz). Despite a delay occasioned by a misunderstanding with the Vermont Environmental Conservation Agency, which has now been resolved, Comex appears to have moved expeditiously on this matter. In its response to the Commission, filed March 18, 1974, Comex indicates that it will be ready for operation in the next six (6) to eight (8) weeks.

Comex has been, and still is, providing in Concord, Keene, Manchester, Nashua and Portsmouth the same kind of service it now intends to perform in the Hanover area. As far as we can determine, the service rendered has been adequate and reliable. Should any future deficiency develop in any of the areas then being served, additional authorizations to others interested in providing such service can always be considered.

In view of the foregoing, it is the opinion of this Commission that Valcom's petition should be, and hereby is, denied.

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NH.PUC*05/01/74*[77314]*59 NH PUC 204*Northern Utilities, Inc.

[Go to End of 77314]

Re Northern Utilities, Inc.

I-R14,180, Supplemental Order No. 11,399

59 NH PUC 204

New Hampshire Public Utilities Commission

May 1, 1974

DISMISSAL of a withdrawn supplemental gas price adjustment.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Northern Utilities, Inc. (Allied Gas Division), a public utility engaged in the business of supplying gas service in the State of New Hampshire, on January 14, 1974 filed with this Commission Supplement No. 5 to its tariff, N.H.P.U.C. No. 6 — Gas, providing for a temporary supplemental gas price adjustment, effective February 14, 1974; and

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WHEREAS, by virtue of Order No. 11,264 issued January 23, 1974 such Supplement No. 5 was suspended until otherwise ordered by this Commission; and

WHEREAS, Northern Utilities, Inc. (Allied Gas Division) has requested that such Supplement No. 5 be withdrawn; it is

ORDERED, that Supplement No. 5 filed on January 14, 1974 and suspended by virtue of Order No. 11,264 be dismissed without prejudice; and it is

FURTHER ORDERED, that Northern Utilities, Inc. (Allied Gas Division) give public notice of the withdrawal of Supplement No. 5 by publishing a copy of this order once in a newspaper having general circulation in the territory served by Northern Utilities, Inc. (Allied Gas Division).

By order of the Public Utilities Commission of New Hampshire this first day of May, 1974.

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NH.PUC*05/07/74*[77315]*59 NH PUC 205*Manchester Gas Company

[Go to End of 77315]

Re Manchester Gas Company

I-R14,229, Order No. 11,407

59 NH PUC 205

New Hampshire Public Utilities Commission

May 7, 1974

APPROVAL of a special rate contract between a gas company and a private company.

BY THE COMMISSION:

Order

WHEREAS, Manchester Gas Company, a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 15 with Senak Co., effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this seventh day of May, 1974.

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NH.PUC*05/14/74*[77316]*59 NH PUC 205*Eastman Water Company

[Go to End of 77316]

Re Eastman Water Company

DF 74-41, Order No. 11,414

59 NH PUC 205

New Hampshire Public Utilities Commission

May 14, 1974

AUTHORIZATION for the issuance of common stock and long-term notes.

Page 205

SECURITY ISSUES, § 95 — Common stock — Long-term notes — Consideration.

[N.H.] A water company was authorized to issue capital stock and long-term notes with the consideration for the securities to be completed water utility facilities.

APPEARANCES: Peter B. Rotch for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition, filed March 8, 1974, Eastman Water Company, a corporation duly organized under the laws of the State of New Hampshire, operating as a public water utility in limited areas in the Towns of Enfield, Grantham and Springfield, seeks authority, pursuant to the provisions of RSA 369, to issue 17,500 shares of its common capital stock, \$5 par value, and to issue long-term notes in the amount of \$175,000. The consideration for the securities to be issued will be the conveyance of completed water utility facilities, at actual cost, on the following basis:

- (a) Common capital stock for 10% of the value of said facilities;
- (b) A promissory note payable in 5 years with interest at the rate of 9 1/2% per annum for 20% of the value of said facilities;
- (c) A contribution to the capital of the petitioner for 70% of the value of said facilities.

A hearing was held on the petition on April 18, 1974.

The procedure for capitalizing the petitioner was detailed to this Commission in D-E6374. The petitioner filed copies of appropriate votes, pro-forma balance sheet and detailed listings of the facilities to be transferred.

Upon consideration of the evidence submitted, this Commission finds that the issuance of common capital stock and promissory notes, upon the terms proposed, is consistent with the public good. Our order, authorizing the issue of the petitioner's common capital stock and long-term notes, will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; and

WHEREAS, by this unopposed petition, Eastman Water Company seeks authority to issue pursuant to RSA 369 seventeen thousand five hundred (17,500) shares of its common capital stock and its long-term notes in the amount of one hundred seventy-five thousand dollars (\$175,000); and

WHEREAS, the consideration for the securities to be issued will be the conveyance of completed water utility facilities, at cost, including a contribution to the capital of the petitioner of 70% of the value of said facilities; and

WHEREAS, this Commission, after investigation and consideration, finds that the granting of this petition is consistent with the public good; it is

ORDERED, that Eastman Water Company, be and hereby is, authorized to issue seventeen thousand five hundred (17,500) shares of its common capital stock, par value \$5, in consideration for conveyance to it of 10% of the value of the said water facilities; and it is

FURTHER ORDERED, that Eastman Water Company, be and hereby is, authorized to issue

its promissory notes payable, payable in 5 years, with interest at the rate of 9 1/2% per annum, in the amount of one hundred seventy five thousand dollars (\$175,000) in consideration for the conveyance to it of 20% of the value of said water facilities; and it is

FURTHER ORDERED, that Eastman Water Company be, and hereby is, authorized to accept as a contribution to its capital the conveyance to it of 70% of the value of said water facilities, all in accordance with terms and conditions set forth in the petition and as presented at the hearing; and it is

FURTHER ORDERED, that Eastman Water Company shall file with this Commission within ninety (90) days after the issuance of the securities, a detailed balance sheet, duly

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sworn to by its treasurer, showing the conveyance of the water facilities and the issuance of the securities.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of May, 1974.

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NH.PUC*05/20/74*[77317]*59 NH PUC 207*New Hampshire Electric Cooperative, Inc.

[Go to End of 77317]

Re New Hampshire Electric Cooperative, Inc.

I-R14,233, Order No. 11,422

59 NH PUC 207

New Hampshire Public Utilities Commission

May 20, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 18 with Francis Burgoyne, effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twentieth day of May, 1974.

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NH.PUC*05/20/74*[77318]*59 NH PUC 207*Bretton Woods Water Company, Inc.

[Go to End of 77318]

Re Bretton Woods Water Company, Inc.

Intervenors: Town of Bethlehem and Bethlehem Village District

DE 74-37, Order No. 11,423

59 NH PUC 207

New Hampshire Public Utilities Commission

May 20, 1974

ORDER establishing a water company as a public utility.

Page 207

1. PUBLIC UTILITIES, § 122 — Status — Water company — Land development.

[N.H.] A water company was granted public utility status for its operations in limited areas of two towns where it was found to be financially able to serve new residential developments. p. 208.

2. RATES, § 597 — Water — Special factors — Availability — Hydrants.

[N.H.] A water utility's rate design was approved although it included an availability charge and a fire hydrant charge which is generally a municipal service paid for through taxation. p. 208.

APPEARANCES: Paul F. Donovan for the petitioner; Anthony Pepitone, selectman for the Town of Bethlehem; Malcolm J. Stevenson, commissioner for the Bethlehem village district.

BY THE COMMISSION:

Report

[1] On March 4, 1974, Bretton Woods Water Company, Inc., a New Hampshire corporation with its principal place of business at Carroll, New Hampshire, filed with this Commission a petition requesting authority to operate as a public water utility in a limited area in the towns of Bethlehem and Carroll and in the unincorporated township of Crawford's Purchase.

On April 18, 1974 a hearing was held on the aforementioned petition at the office of the

Commission in Concord, following publication in a newspaper having general circulation in the area. At the hearing the petitioner represented that the Mount Washington Development Company, of which the petitioner is a subsidiary, is developing an area for residential use situated in the general area of Crawford Notch. In connection with this development, the Bretton Woods Water Company was formed and constructed.

In accordance with statutory requirements, plans for the initial system, i.e. Phase I, have been approved by the New Hampshire Water Supply and Pollution Control Commission.

The proposed financing and capital structure, and the petitioner's projections of income, expense and cash flow indicates that the project will be a financially sound water utility. Based on testimony and financial data submitted, we are of the opinion that the petitioner would financially be able to furnish water service as contemplated.

At the hearing representatives of the Town of Bethlehem and the Bethlehem Village District stated that they had no objection to the petitioner serving their respective towns, but until this hearing had not been informed of the exact areas sought. The Commission has now received letters from the Selectmen of the Town of Carroll and the Commissioners of the Bethlehem Village District indicating that there is no objection to the petitioner serving in the areas sought.

As in similar new water companies that have come before this Commission, we recognize that a substantially completed facility must be constructed without the full complement of customers available from the beginning to support it. It is a result of this condition that the company has filed a provision in its tariff for an Availability Charge of \$5.00 per month, which is assessed against each lot owner upon service being available along the roadway adjacent to the lot.

[2] The rate structure proposed is designed to raise the revenues required after the initial period of customer buildup. As described in the previous paragraph, the tariff provision of an availability charge, when a water line is laid in front of and/or adjacent to a lot, causes the owner to become liable for the availability charge. This is similar to the front-foot charge assessed against property owners for sewer and water lines in many communities.

Generally speaking, the rates are comparable to those of similar developments of this nature. The tariff also provides for fire protection facilities, including hose connections, sprinkler connections and hydrants, for which the customer will be assessed. This feature is somewhat unusual since hydrants are normally a municipal service, which service is paid for through taxation; however, the installation of the hydrants will be in the residents' interest and the benefits will be reflected in fire insurance rates, in all probability.

Upon investigation and consideration of the evidence submitted, the Commission is of the opinion that granting the authority sought will be consistent with the public good. Our order will issue accordingly.

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Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Bretton Woods Water Company, Inc. be, and hereby is, authorized to operate as a public water utility in a limited area in the towns of Bethlehem and Carroll and the unincorporated township of Crawford's Purchase, said area bounded and described as follows:

Beginning at a point on the westerly side of U. S. Route 302, so-called, in the Town of Carroll, at land known as the Crawford House property; thence running westerly along line of said Crawford House property to a corner at land of the U. S. Forest Service near the height of land on Mt. Tom in the Town of Bethlehem; thence meandering northwesterly along the height of land and line of the U.S. Forest Service crossing the Ammonoosuc River in the Town of Carroll to land formerly of Noyes, now of the State of New Hampshire; thence running northeasterly along said land of Noyes crossing U. S. Route 302 and along land now of Brooks to land of the U. S. Forest Service near the height of land on the ridge approaching Mt. Deception; thence meandering easterly along said land of the U. S. Forest Service and into the unincorporated township of Crawford's Purchase to a point in the westerly sideline of the Jefferson Notch Road, so-called; thence running southerly and southwesterly along the westerly sideline of said Jefferson Notch Road across the Base Road, so-called, and along the westerly sideline of the Mt. Clinton Road, so-called, and returning to the Township of Carroll, to land of the Crawford House, thence running westerly along said Crawford House land and across U. S. Route 302 to the point of beginning.

Said area outlined on a map on file in the office of this Commission, marked DE 74-37, Exhibit No. 3, and for this purpose to construct the necessary facilities; and it is

FURTHER ORDERED, that its tariff, entitled N.H.P.U.C. No. 1 — Water, setting forth rates, terms and conditions covering service in the area, shall become effective with the date of this order and three (3) (plus five (5) copies) properly executed copies of such tariff to be filed with this Commission immediately upon receipt of this order.

By order of the Public Utilities Commission of New Hampshire this twentieth day of May, 1974.

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NH.PUC*05/20/74*[77319]*59 NH PUC 209*Public Service Company of New Hampshire

[Go to End of 77319]

Re Public Service Company of New Hampshire

D-F5920, Supplemental Order No. 11,424

59 NH PUC 209

New Hampshire Public Utilities Commission

May 20, 1974

INCREASE of a company's exemption for the issuance of short-term debt without prior commission approval.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Public Service Company of New Hampshire, a New Hampshire Corporation, operating as a public utility in various towns and cities in this State, under the jurisdiction of this Commission, by Supplemental Order No. 11,283, dated February 7, 1974 (59 NH PUC 183), was granted an exception to the terms of Supplemental Order No. 7446, permitting it, from time to time, to issue and renew, for cash, its Note, or Notes, in an aggregate principal amount not exceeding sixty million dollars (\$60,000,000) and;

WHEREAS, the Company, by petition filed on May 15, 1974 seeks authority to increase the exemption in Order No. 7446 to an amount not in excess of fifty million dollars (\$50,000,000) at any one time outstanding (not including any short-term notes to be retired with the proceeds of any such issue or renewal), including interest on bank borrowings at the prime rate or a rate or rates based on the prime rate; and

WHEREAS, upon investigation given by the Commission of supporting data filed with the petition, this Commission finds that the proposed financing upon the terms set forth in the petition, is in the public interest; it is

ORDERED, that the Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell, and from time to time renew, for cash, its Note, or Notes, in an aggregate principal amount not exceeding fifty million dollars (\$50,000,000) at any one time outstanding (not including any short-term notes to be retired with the proceeds of any such issue or renewal) and it is

FURTHER ORDERED, that interest on bank borrowings will be at the prime rate or a rate or rates based on the prime rate; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire first obtain approval of this Commission before incurring short-term indebtedness in excess of the amount allowed by the terms of Supplemental Order No. 7446 of this Commission after January 1, 1975; and it is

FURTHER ORDERED, that on or before January first and July first in each year, Public Service Company of New Hampshire shall file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of the proceeds of the Notes herein authorized until the expenditure of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twentieth day of May, 1974.

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NH.PUC*05/20/74*[77320]*59 NH PUC 210*Exeter and Hampton Electric Company

[Go to End of 77320]

Re Exeter and Hampton Electric Company

D-R6237, Second Supplemental Order No. 11,425

59 NH PUC 210

New Hampshire Public Utilities Commission

May 20, 1974

EXTENSION of a fuel adjustment clause.

RATES, § 303 — Fuel clauses — Extensions — Pending proceedings.

[N.H.] Where a wholesale rate case on a fuel adjustment factor had been settled before the Federal Power Commission but implementation proceedings were still pending, the commission extended an electric company's fuel adjustment clause subject to further review.

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BY THE COMMISSION:

Second Supplemental Order

WHEREAS, by virtue of Order No. 10,855, First Revised Page 10B ("Fuel Adjustment") and First Revised Page 10C ("Purchased Power Adjustment") of Exeter and Hampton of Concord Electric Company tariff, N.H.P.U.C. No. 10 were made effective January 15, 1973; and

WHEREAS, the wholesalers case before the Federal Power Commission having been settled, the new factor of adjustment (i.e. 10.63 percent) was permitted to become effective on November 15, 1973 up to and including June 15, 1974 by virtue of Supplemental Order No. 11,166; and

WHEREAS, the procedure for folding the factor of adjustment into the basic rates is still pending; it is

ORDERED, that the factor of adjustment (i.e. 10.63 percent) remain effective up to and including December 31, 1974; and it is

FURTHER ORDERED, that the company shall proceed, without undue delay, to fold into its basic rates the adjustment factor representing the increased power cost; and it is

FURTHER ORDERED, that the provisions of Order No. 10,855 is so far as the Fuel Adjustment Clause is concerned, be and hereby are, extended subject to further review since this matter is still pending before the Federal Power Commission.

By order of the Public Utilities Commission of New Hampshire this twentieth day of May, 1974.

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NH.PUC*05/20/74*[77321]*59 NH PUC 211*Concord Electric Company

[Go to End of 77321]

Re Concord Electric Company

D-R6236, Second Supplemental Order No. 11,426

59 NH PUC 211

New Hampshire Public Utilities Commission

May 20, 1974

EXTENSION of a fuel adjustment clause.

RATES, § 303 — Fuel clauses — Extensions — Pending proceedings.

[N.H.] Where a wholesale rate case on a fuel adjustment factor had been settled before the Federal Power Commission but implementation proceedings were still pending, the commission extended an electric company's fuel adjustment clause subject to further review.

BY THE COMMISSION:

Second Supplemental Order

WHEREAS, by virtue of Order No. 10,854, First Revised Page 9B ("Fuel Adjustment") and First Revised Page 9C ("Purchased Power Adjustment") of Concord Electric Company tariff, N.H.P.U.C. No. 4 were made effective January 15, 1973; and

WHEREAS, the wholesaler's case before the Federal Power Commission having been settled, the new factor of adjustment (i.e. 11.50 percent) was permitted to become effective on November 15, 1973 up to and including June 15, 1974 by virtue of Supplemental Order No. 11,165; and

WHEREAS, the procedure for folding the factor of adjustment into the basic rates is still pending; it is

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ORDERED, that the factor of adjustment (i.e. 11.50 percent) remain effective up to and including December 31, 1974; and it is

FURTHER ORDERED, that the company shall proceed, without undue delay, to fold into its basic rates the adjustment factor representing the increased power cost; and it is

FURTHER ORDERED, that the provisions of Order No. 10,854 in so far as the Fuel Adjustment Clause is concerned, be and hereby are extended subject to further review since this

matter is still pending before the Federal Power Commission.

By order of the Public Utilities Commission of New Hampshire this twentieth day of May, 1974.

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NH.PUC*05/21/74*[77322]*59 NH PUC 212*Southern New Hampshire Gas Company, Inc.

[Go to End of 77322]

Re Southern New Hampshire Gas Company, Inc.

DF 74-72, Order No. 11,427

59 NH PUC 212

New Hampshire Public Utilities Commission

May 21, 1974

PETITION for approval of the sale of additional common stock and of the issuance of a demand note; granted.

SECURITY ISSUES, § 31 — Unauthorized issues — Commission approval.

[N.H.] Where a gas company had not known prior commission approval was needed and it issued additional common stock and a demand note to another company, the commission subsequently approved the transactions finding the capitalization to have been in the public interest.

APPEARANCES: Lewis F. Soule for the petitioner.

BY THE COMMISSION:

Report

By petition filed May 16, 1974, Southern New Hampshire Gas Company, Inc., a corporation duly organized under the laws of the State of New Hampshire having a principal place of business in the City of Salem, New Hampshire and engaged as a public utility in the purchase and distribution of gas, seeks authority pursuant to RSA 369 to issue 7,900 additional shares of its Common Stock, \$10 par value, and to issue a Demand Note in the amount of \$100,000. A hearing was held on the petition at the Commission on May 16, 1974.

The issuance of the 7,900 shares of Common Stock and the \$100,000 Demand Note was done on February 12, 1974. The company was unaware of the requirements of prior approval and now seeks approval.

The company at present has outstanding 100 shares of Common Stock, \$10 par value. They seek approval of the sale of 7,900 shares of additional Common Stock to Colonial Gas Energy

System in consideration of the payment of \$79,000 to Southern New Hampshire Gas Company, Inc. by said company. This makes the capitalization of the petitioner approximately 55% debt and 45% equity.

Southern New Hampshire Gas Company, Inc. also seeks approval of the loan of \$100,000 on a Demand Note from Colonial Gas Energy System with interest on the unpaid

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principal balance at the rate of 10% per annum.

Upon investigation and consideration of the evidence submitted at the hearing, the Commission is of the opinion that the granting of the authorizations sought will be consistent with the public good. Our order will issue accordingly. Order

Based upon the foregoing report, which is made a part hereof; it is

ORDERED, that Southern New Hampshire Gas Company, Inc. be, and hereby is, authorized in the sale of 7,900 shares of Common Stock to Colonial Gas Energy System in payment of \$79,000; and it is

FURTHER ORDERED, that Southern New Hampshire Gas Company, Inc. be, and hereby is, authorized in the borrowing of \$100,000 on a Demand Note from Colonial Gas Energy System with interest on the unpaid principal balance at the rate of 10% per annum; and it is

FURTHER ORDERED, that the proceeds from the sale of said securities be used solely for the following purpose: to reduce the amount of accounts payable indebtedness to Colonial Gas Energy System.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of May, 1974.

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NH.PUC*05/21/74*[77323]*59 NH PUC 213*Rules of Practice and Procedure

[Go to End of 77323]

Re Rules of Practice and Procedure

I-A14,236, Order No. 11,428

59 NH PUC 213

New Hampshire Public Utilities Commission

May 21, 1974

AMENDMENT of the rules of procedure and regulations governing commission investigations and hearings.

BY THE COMMISSION:

Order

WHEREAS, under the provisions of RSA 365:8 the Commission has the power to adopt and publish rules to govern its proceedings and to regulate the mode and manner of all investigations and hearings; and

WHEREAS, under the provisions of RSA 541-A the Commission is required to adopt such rules; and

WHEREAS, it now appearing that the rules of procedure and regulations governing matters before the Commission, adopted December 26, 1911 and amended July 25, 1913, February 12, 1914 and March 1, 1932 should in most instances be amended;

NOW THEREFORE, it is

ORDERED, that effective May 21, 1974, the rules governing the proceedings of, and regulation of the mode and manner of all investigations and hearings before, the New Hampshire Public Utilities Commission, annexed to this order, entitled "Rules of Practice and Procedure" be, and hereby are, adopted in substitution for and in revocation of the rules of procedure heretofore prescribed by the Commission.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of May, 1974.

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NH.PUC*05/22/74*[77324]*59 NH PUC 214*Gas Service, Inc.

[Go to End of 77324]

Re Gas Service, Inc.

D-R6612, Supplemental Order No. 11,431

59 NH PUC 214

New Hampshire Public Utilities Commission

May 22, 1974

ORDER implementing the collection of a revenue deficiency.

RATES, § 260 — Surcharges — Revenue deficiency — Fuel clause provisions.

[N.H.] Although a supplemental gas price adjustment had provided that any deficiency was to be collected in one particular month, the commission found the deficiency to be so great that a one-month collection would create a hardship on the customers and it ordered the deficiency collected over the course of succeeding months instead.

BY THE COMMISSION:

Supplemental Order

WHEREAS, by virtue of Order No. 11,276 issued January 31, 1974 Supplement No. 7 (Keene Division) to Gas Service, Inc. tariff, N.H.P.U.C. No. 4 — Gas providing for a temporary supplemental gas price adjustment of \$.094 per therm was made effective January 31, 1974; and

WHEREAS, said Supplement No. 7 provided that the gas price adjustment would be collected through April 30, 1974 with any excess or deficiency to be refunded or an additional charge to be made during the month of May; and

WHEREAS, said deficiency appears to be sixty-two thousand two hundred fifty-five dollars (\$62,255); and

WHEREAS, to collect this entire deficiency in the month of May would be a hardship on the customers; it is

ORDERED, that the deficiency to be collected under Supplement No. 7 be charged at the rate of \$.0949 per therm for the month of May and at the rate of \$.0949 per therm for succeeding months up to the amount of the deficiency; and it is

FURTHER ORDERED, that revised pages of Supplement No. 7 be submitted identified as First Revised Page 1, Superseding Original Page 1 and Second Revised Page 2, Superseding Original Page 2; and it is

FURTHER ORDERED, that Gas Service, Inc. give public notice of this supplemental gas price adjustment by publishing a copy of this order, upon receipt, in a newspaper having general circulation in the area affected.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of May, 1974.

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NH.PUC*05/29/74*[77325]*59 NH PUC 215*Concord Electric Company

[Go to End of 77325]

Re Concord Electric Company

DF 74-54, Order No. 11,442

59 NH PUC 215

New Hampshire Public Utilities Commission

May 29, 1974

AUTHORIZATION for an electric company to issue additional common stock.

SECURITY ISSUES, § 101 — Stock dividends — Two for one split.

[N.H.] An electric company was allowed to issue additional shares of its common stock and to effect a two for one stock split dividend for its current outstanding shares.

BY THE COMMISSION:

Order

WHEREAS, Concord Electric Company, a corporation duly organized and existing under the laws of the State of New Hampshire and engaged in business of supplying electrical power and energy for public and private use under the jurisdiction of this Commission, seeks authority pursuant to RSA 369, as follows:

A. That this Commission find that the increase in the authorized common capital stock, no par value, of the Company from 50,000 shares to 250,000 shares and the split-up in the form of a dividend of the 50,000 shares thereof presently outstanding so that each shareholder as of the close of business on June 4, 1974 will receive one additional share for each such share then held by him, in the manner and upon the terms herein set forth and as further to be defined at hearing thereon, is consistent with the public good;

D. That this Commission approve and authorize the said increase of the authorized common capital stock, no par value, of the Company, and the split up of the shares thereof in the form of a dividend of one additional share to be paid to each holder thereof for each share held by him at the close of business on June 4, 1974; and

WHEREAS, at a hearing held at this Commission on May 16, 1974, the Company presented testimony and exhibits showing the need for an increase in its authorized common capital stock and the advantages of effecting a two for one split up of its presently outstanding common stock; and

WHEREAS, the Company filed copies of appropriate votes authorizing the capital changes and financial statements with pro forma adjustments reflecting the proposed changes; and

WHEREAS, the Commission, after investigation, finds that the increase in the common capital stock and the issuance of stock in order to effect a two for one split is consistent with the public good; it is

ORDERED, that Concord Electric Company be, and hereby is, authorized to increase its authorized common capital stock, no par value, from fifty thousand (50,000) shares to two hundred fifty thousand (250,000) shares; and it is

FURTHER ORDERED, that Concord Electric Company be, and hereby is, authorized to issue fifty thousand (50,000) shares of its common capital stock, no par value, in the form of a dividend to each shareholder as of the close of business on June 4, 1974 of one additional share for each such share then held by him; and it is

FURTHER ORDERED, that within ninety days after affecting the change in its common capital stock, Concord Electric Company, shall file with this Commission a financial statement, duly sworn to by its Treasurer, incorporating the entries on the Company's balance sheet.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of May, 1974.

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NH.PUC*05/29/74*[77326]*59 NH PUC 216*Concord Electric Company

[Go to End of 77326]

Re Concord Electric Company

DF 74-80, Supplemental Order No. 11,443

59 NH PUC 216

New Hampshire Public Utilities Commission

May 29, 1974

APPLICATION for authority to issue and sell short-term notes; granted.

SECURITY ISSUES, § 98 — Short-Term notes — Alternative financing.

[N.H.] Where permanent financing would be difficult and expensive to acquire and an electric company needed the flexibility of short-term borrowing, the commission authorized the company to issue and sell short-term notes.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Concord Electric Company, a corporation duly organized and existing under the laws of the state of New Hampshire, and engaged in business of supplying electrical power and energy for public and private use under jurisdiction of this Commission seeks authority pursuant to RSA 369, as follows:

"That the Commission find that the issue and sale by the Company of not to exceed \$2,500,000 of short-term notes for the purposes, in the manner, and upon the terms hereinabove set forth, is consistent with the public good." and

WHEREAS, at a hearing held at this Commission on May 16, 1974, the Company presented testimony and exhibits showing the projected financing requirements and capitalization, and alternative sources of financing; and

WHEREAS, the Company submitted evidence that permanent financing would be difficult and expensive to obtain at this time and that the flexibility of short-term borrowing authorization in the amount requested is important at this time; and

WHEREAS, Concord Electric Company was authorized by our Order No. 8683, dated July 15, 1967, to issue and sell for cash its short-term Note, or Notes, in an aggregate principal amount not in excess of \$2,000,000; and

WHEREAS, this Commission, after investigation and consideration, find that the issue and sale of said Note, or Notes, pending permanent financing, is consistent with the public good; it is

ORDERED, that Concord Electric Company be, and hereby is, authorized from the date of this order to and including December 31, 1975, to issue and sell for cash, or renew, its short-term Note, or Notes, payable less than two months after the date thereof, in an aggregate principal amount not in excess of two million five hundred thousand dollars (\$2,500,000) to bear interest at a rate not in excess of one-fourth (1/4) of one percent (1%) above the prime rate at the time of issuance or renewal; and it is

FURTHER ORDERED, that Concord Electric Company first obtain approval of this

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Commission before incurring short-term indebtedness in excess of the amount allowed by the terms of Supplemental Order No. 7446 of this Commission after December 31, 1975; and it is

FURTHER ORDERED, that on or before January first and July first in each year, Concord Electric Company shall file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of the proceeds of the Notes herein authorized until the expenditure of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of May, 1974.

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NH.PUC*06/04/74*[77327]*59 NH PUC 217*Comex, Inc.

[Go to End of 77327]

Re Comex, Inc.

D-E5951, Supplemental Order No. 11,449

59 NH PUC 217

New Hampshire Public Utilities Commission

June 4, 1974

EXTENSION of a mobile radio company's franchise area.

RADIO AND TELEVISION, § 5 — Amendment of license — Mobile radio — Maritime service.

[N.H.] Although the commission had previously granted a company license to operate a mobile radio service on land in its franchise area, it amended the license to include service on any waters within the franchise area as the commission's original intent had been to certify both land and maritime service.

Supplemental Order

WHEREAS, this Commission, by Order No. 10,252, granted Comex, Inc. the authority to operate as a public utility providing Domestic Public Land Mobile Radio Service on an exclusive basis, excepting wireline telephone company utilities, in those areas in which it is now authorized to serve by virtue of our previous orders, Nos. 8015 (45 NH PUC 196), 8408 (47 NH PUC 215) and 9898 (55 NH PUC 135); and

WHEREAS, it was the intent of this Commission in granting the authority to include coverage of maritime mobile radio service as it may be requested on any body of water within the franchise area granted; it is

ORDERED, that Commission Order No. 10,252 dated April 14, 1971 be, and hereby is, amended to include the authority for Comex, Inc. to provide maritime mobile radio service in those areas in which it is now authorized to serve by virtue of our previous orders, Nos. 8015, 8408 and 9898.

By order of the Public Utilities Commission of New Hampshire this fourth day of June, 1974.

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NH.PUC*06/06/74*[77328]*59 NH PUC 218*Public Service Company of New Hampshire

[Go to End of 77328]

Re Public Service Company of New Hampshire

Intervenors: New Hampshire Electric Cooperative, Inc., New Hampshire Legal Assistance, and VOICE

D-R6081, Supplemental Order No. 11,450

59 NH PUC 218

New Hampshire Public Utilities Commission

June 6, 1974

PETITION by an electric company for an increase in rates; granted as temporary rates.

1. ACCOUNTING, § 38 — Income taxes — Below the line treatment.

[N.H.] The commission disagreed with a company's below-the-line treatment of income

taxes. p. 220.

2. RATES, § 630 — Temporary rates — Economic factors.

[N.H.] Where the nation's economy was in a recession and an electric company was doing all it could to alleviate the situation, the commission granted the company interim rather than permanent rate relief because the company's economic position was likely to change at any time. p. 221.

APPEARANCES: Franklin Hollis and Joseph S. Ransmeier, for the petitioner; Warren E. Waters and George L. Manias, special counsel to the commission for the public utilities commission; Charles T. Gallagher for New Hampshire Electric Cooperative, Inc.; Richard Cotton of New Hampshire Legal Assistance for VOICE.

BY THE COMMISSION:

Report

These proceedings were initiated on July 8, 1971, when Public Service Company of New Hampshire (hereinafter sometimes referred to as the "Company"), a public utility engaged in the business of supplying electric service primarily in the State of New Hampshire, filed ("Tariff 18") with this Commission a complete revision of its Tariff, N.H.P.U.C. No. 17 — Electric ("Tariff 17").

Pursuant to the authority vested in this Commission by RSA 378:6, on July 14, 1971, by Order No. 10,335, we suspended the proposed rate increase pending an investigation and public hearings, as authorized by the provisions of RSA 378:5.

On July 21, 1971, the Company filed a "Petition for Temporary Rates" with this Commission, pursuant to the provisions of RSA 378:27.

On February 10, 1972 the Company placed its Tariff 18 in effect under a repayment bond as provided by RSA 378:6. The effective date of its Tariff 18, however, was April 11, 1972, as a result of delays occasioned by a federal court action seeking an injunction, and the temporary freeze on utility rate increases imposed by Presidential Order under the federal law.

On August 8, 1972, we issued Order No. 10,679 rejecting Tariff 18, ordering that a new tariff be filed designed to produce an increase in gross revenues of four million three hundred thirty four thousand dollars (\$4,334,000) and ordering that the difference between the amount set in the order and the amount collected under Tariff 18 under bond be refunded.

On August 25, 1972 the Company filed a Motion for Rehearing on Order No. 10,679. On August 31, 1972 we denied the Motion for Rehearing by Order No. 10,717.

The Company and VOICE appealed to the New Hampshire Supreme Court the decision and order of the Commission, Order No.

On December 29, 1972 the Company filed Tariff 19 requesting that rates be allowed in excess of the rate increase granted by Order No. 10,679. Pursuant to authority vested in this Commission by RSA 378:6, on January 31, 1973, by Order No. 10,867, we suspended the proposed rate increase pending an investigation.

On September 28, 1973 the New Hampshire Supreme Court vacated the orders and remanded the case to this Commission.

On October 5, 1973 and on October 11, 1973 we issued Supplemental Order No. 11,118 and Order No. 11,126 ordering the Company and all other parties to file in writing whatever evidence they deem pertinent to the case, designed to expedite a decision on the remand.

On October 5, 1973 the Company filed with the New Hampshire Supreme Court a Motion for Rehearing on the issue of temporary rates.

On October 23, 1973 the Company filed with the Commission a "Motion for Rehearing" requesting, among other things, that this Commission revoke Supplemental Order No. 11,118 and No. 11,126.

On October 26, 1973 we issued Supplemental Order No. 11,149 suspending Supplemental Order No. 11,118 and No. 11,126 pending further consideration.

On November 5, 1973 the Company filed a petition with this Commission for Temporary Rate and Other Relief.

On November 21, 1973 the New Hampshire Supreme Court denied the Company's Motion for Rehearing on the issue of temporary rates.

On December 21, 1973, we issued Order No. 11,226 rejecting Tariff 18, rejecting Tariff 19, ordering that a new tariff be filed with new rates reflecting an annual decrease in gross revenues of two million seven hundred thirty thousand dollars (\$2,730,000), ordering that the difference between amounts collected under bond and the amounts authorized be refunded to customers with interest, and denying the Petition for Temporary Rate and Other Relief filed on November 5, 1973.

On January 9, 1974 the Company filed a Motion for Rehearing on Order No. 11,226. On January 18, 1974 we denied the Motion for Rehearing by Order No. 11,253.

The Company appealed to the New Hampshire Supreme Court the decision and order of the Commission, Order No. 11,226, and from the order denying the Motion for Rehearing.

Following a hearing on March 15, 1974 on three preliminary prayers in the appeal of the Company, the New Hampshire Supreme Court, on April 30, 1974 made the following order: "Order No. 11,226 of commission suspended; order denying Tariff No. 18 as temporary rate vacated; remand limited to hearing on temporary rate; remand on other issues denied."

On May 2, 1974 we ordered that a hearing be held on the issue of temporary rates on May 22, 1974. A hearing was held at the City Auditorium in Concord, starting at 10:00 a.m.

At the hearing the Company submitted testimony and other evidence alleging the need for having Tariff No. 18 prescribed as temporary rates from November 5, 1973 and for having Tariff No. 18, plus ten percent (10%) of the basic rates, prescribed as temporary rates from June 1,

1974, under RSA 378:27

The Company's evidence was based primarily upon data for the year ended March 31, 1974, with some reference to data for the month of April, 1974 and with reference to present economic conditions.

The Commission and staff in their continuing review and audit of the Company's operations and, specifically, in review and audit of data for the year ended March 31, 1974, following the Court's remand, has extensive knowledge of the financial condition of the Company, utilities in general and of the state of the capital markets.

The New Hampshire Supreme Court took judicial notice " ... that in the interim since the commission's order the cost of capital has increased rather than decreased." At the time of our decision, in December of 1973, short-term money rates were descending from the then record highs for this country reached in the summer and fall of 1973. The prime bank loan rate had risen from six percent (6%) at the beginning of the year to the then record high of ten percent (10%) by September.

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Short-term interest rates were generally easing until by March of 1974 the prime bank loan rate had receded to eight and seventy five hundredths percent (8.75%). Then, with extremely negative economic forces, notably rapid inflation including fossil fuel costs, short-term rates reversed their down trend and soared to new heights. At the date of the hearing the prime bank loan rate had reached eleven and five tenths percent (11.5%) [eleven and seventy five hundredths percent (11.75%) at some major banks].

Already buffeted by inflation and soaring interest rates the capital markets, so necessary to the utility industry, were further shocked by headlines indicating the serious financial condition of one of this nation's largest utilities. The electric utility business has been the largest user of this nation's capital markets, having raised substantial sums of debt and equity and with a continuing need to acquire large financing. In this environment the level of a utility's earnings, always important to its financing, becomes critical in raising new capital end, indeed, in maintaining and refunding existing capital.

This Commission, having twice denied temporary rates requested by the Company under different economic circumstances, must consider the remanded issue taking into account the currently existing economic forces in this nation and the current financial posture of this Company. We are dealing with an issue important to the consumer and to the Company. The New Hampshire statutes authorize temporary rates when appropriate and specify the effects of a later permanent rate decision on the interim period during which temporary rates apply. The statutes also authorize this Commission to terminate temporary rates prior to final determination of the rate proceeding.

The Company's evidence submitted at the hearing showed a serious decline in its earnings and a material decline in its rate of return on its expanding rate base. For the year ended March 31, 1974 the Company's earnings were substantially below its cost of capital. The rate of return currently being realized is less than cost of capital and the shortfall becomes even larger when proforma adjustments, submitted by the Company, are considered. The rate of return has been

below the Company's cost of capital since December 31, 1973.

Computations offered by the Company were made in accordance with and following findings of this Commission on all points not contested by the Company and currently before the New Hampshire Supreme Court. The Company has furnished data on both the bases argued by it and, alternatively, on the bases found by this Commission. We have considered for the limited purpose of this hearing the impact of all of these issues.

[1] In our December 21, 1973 order we took issue with proforma adjustments for expense items with no consideration being given to absorption of costs by expanding revenues. This Commission has not changed its views that an equitable rate determination requires consideration of all pertinent economic factors. We do not accept the Company's accounting for income taxes "below the line" and we shall continue to pursue this issue before the New Hampshire Supreme Court. The commercial operation of the new and large generating plant in Newington should have important economic effects upon the Company's costs and the date approaches when this capacity will be available. Revenue growth, fossil fuel costs, increased generating capacity and lesser reliance on imported power, interest rates and many other economic factors will be changing in the months ahead and we shall continue to monitor these changes.

The Company's evidence indicated revenue deficiencies over and above Tariff 18 applicable to the New Hampshire retail customers for the year ended March 31, 1974 of seven million seven hundred sixty three thousand dollars (\$7,763,000), using cost of capital calculated on the bases of this Commission's findings, and ten million eight hundred thirty one thousand dollars (\$10,831,000), using cost of capital as advocated by the Company.

At the hearing the evidence submitted was primarily based upon data through March 31, 1974, with reference made to further deterioration in the financial results for the month of April, 1974. We take note from financial data on file with this Commission that for the three months ended March 31, 1974 the net income available for common stock was five

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hundred seventy six thousand dollars (\$576,000) less than the comparable period of 1973. Through April, 1974 this dollar comparison showed a nine hundred seventy seven thousand dollar (\$977,000) decrease from 1973, on a greatly expanded common equity base.

The forces causing this financial deterioration may be of short duration. Improving economic conditions in this nation may be close at hand, but the unprecedented problems make it difficult to place reliance at this time on forecasts of the degree and the timing of improving conditions.

[2] We are satisfied that the Company has made substantial economy moves to alleviate the economic forces beyond its control. Surveillance of its costs, its capital budgets and its entire operating conditions have been given a very high priority by management and efforts to effect savings will continue. This Commission has and will continue to monitor the Company's financial operations and its cost reduction programs.

The Company has eliminated three quarters of a million dollars in installation allowances. Typical of further activities are cutbacks in advertising, charitable donations and use of outside

contractors. It has purchased sub-compact economy motor vehicles and reduced inventory and supplies to below normal levels. Four and one half million dollars of construction expenditures have been temporarily deferred on an emergency basis.

This Commission views the temporary rate provisions as applicable only where need is shown. These provisions should not be used indiscriminately but only where the public interest so requires. We find that this case, at this time, clearly warrants the application of the temporary rate provisions.

We are charged with the power and the duty to keep informed as to all public utilities in the state. These proceedings as to a final rate decision have been of a long duration and, with the present posture of the proceedings, no termination date can be realistically predicted at this juncture. The need for temporary rates arises from economic conditions existing at the moment and these conditions are likely to change in the near future, at least as to degree. We are requiring the Company to furnish this Commission, in addition to monthly data normally filed with us, detailed statistics and other data, and we are requiring the Company to submit to this Commission, in the form and detail furnished at the hearing, updated exhibits through August 31, 1974, these exhibits to be submitted prior to September 30, 1974; and thereafter, in a like manner, on a continuing quarterly basis, beginning with the quarter ending December 31, 1974, until permanent rates are finally decided.

We find that it is in the public interest that Tariff 18 be prescribed as temporary rates, under RSA 378:27, effective as of January 1, 1974. We further find that it is in the public interest that Tariff 18, plus ten percent (10%) of its basic rates (excluding the fuel adjustment charge), be prescribed as temporary rates, under RSA 378:27, effective as of June 1, 1974. We further find that the Company shall file a repayment bond, under RSA 378:30, to secure repayment to the customers of the difference, if any, between the amounts collected under such temporary rates and the rates which the Commission finds should have been in effect during the continuance of such temporary rates. Our order will issue accordingly.

Supplemental Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that the rates and charges of tariff N.H.P.U.C. No.18 of the Public Service Company of New Hampshire which were made effective under bond by virtue of Order No. 10,562 issued April 14, 1972 be made effective as temporary rates on all current billings rendered on and after January 1, 1974; and it is

FURTHER ORDERED, that effective as temporary rates with current billings rendered on and after June 1, 1974 the basic rates (exclusive of the fuel surcharge) of tariff N.H.P.U.C. No. 18 be increased by ten percent (10%); and it is

FURTHER ORDERED, that Public Service Company of New Hampshire give public notice of these changes by publishing a copy of this order, upon receipt, in newspapers

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having general circulation in the territory served by said company; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire furnish this Commission with a bond to secure the repayment to the customers of the public utility of the difference between the amounts collected under such temporary rates and the rates which the Commission finds should have been in effect during the continuance of such temporary rates; and it is

FURTHER ORDERED, that the Public Service Company of New Hampshire comply with the furnishing of all data as set forth in the above report.

By order of the Public Utilities Commission of New Hampshire this sixth day of June, 1974.

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NH.PUC*06/06/74*[77329]*59 NH PUC 222*Manchester Gas Company

[Go to End of 77329]

Re Manchester Gas Company

D-F6499, Supplemental Order No. 11,451

59 NH PUC 222

New Hampshire Public Utilities Commission

June 6, 1974

APPROVAL of a gas company's stock dividend.

SECURITY ISSUES, § 101 — Stock dividends.

[N.H.] A gas company was authorized to issue a stock dividend at the rate of three shares per every one hundred shares currently held with fractional shareholders to be paid in cash.

Supplemental Order

WHEREAS, Manchester Gas Company (the "Company"), a New Hampshire corporation doing business as a gas public utility under the jurisdiction of this Commission, by petition filed May 23, 1974, represents that as of April 30, 1974, the common stockholders' equity in the company was as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

400,000 shares \$5 par value authorized	\$ 1,018,020
203,604 shares \$5 par value issued	
Capital surplus	311,460
Retained earnings	1,282,725
	<hr/>
	2,612,205

and

WHEREAS, the Company proposes to issue no more than six thousand, one hundred eight (6,108) common shares identical to the present common shares issued and outstanding to present stockholders, at a rate of three (3) additional shares for each one hundred (100) shares presently held; and

WHEREAS, the Company asserts that it will be able to pay dividends at the current annual rate of seventy cents (70¢) per share on both the presently outstanding stock and on the new shares to be issued, resulting in a dividend increase to present stockholders of three percent (3%); and

WHEREAS, the Company alleges that stockholders entitled to fractional shares will be paid in cash, on the basis of a value eight dollars and fifty cents (\$8.50) per share, the quoted bid price as of the declaration date, April 17, 1974; and

WHEREAS, the Company proposes that the record date for payment of this stock dividend will be ten (10) days subsequent to

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the date of approval of the proposed dividend by this Commission, and the Company further proposes that the payment date will be fourteen (14) days thereafter; and

WHEREAS, in support of its petition, the Company has appended to its petition certain financial statements, consisting of a balance sheet and income statement showing adjustments for financing, both of which are dated as of April 30, 1974, and the Company has further filed as an exhibit, a copy of the corporate vote authorizing said three percent (3%) stock dividend, which vote was adopted at a meeting of the Directors of the Company held on April 17, 1974; and

WHEREAS, the Commission is satisfied, after having reviewed the allegations of the petition and the appended exhibits, that a public hearing on this petition is not necessary, and that payment of this common stock dividend will be consistent with the public good, and in conformity with the provisions of RSA 369:1; it is

ORDERED, that Manchester Gas Company be, and hereby is, authorized to declare and issue a stock dividend of three (3) shares of five dollars (\$5) par value common stock for each one hundred (100) shares presently outstanding; and it is

FURTHER ORDERED, that Manchester Gas Company be, and hereby is, authorized to pay in cash, to the stockholders entitled to fractional shares, an amount based upon a value of eight dollars and fifty cents (\$8.50) per common share; and it is

FURTHER ORDERED, that within thirty (30) days after the date of payment of this stock dividend, said Manchester Gas Company shall file with this Commission a financial statement, duly sworn to by its Treasurer, indicating appropriate entries on the Company's balance sheet.

By order of the Public Utilities Commission of New Hampshire this sixth day of June, 1974.

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NH.PUC*06/10/74*[77330]*59 NH PUC 223*New England Telephone and Telegraph Company

[Go to End of 77330]

Re New England Telephone and Telegraph Company

DE 74-104, Order No. 11,453

59 NH PUC 223

New Hampshire Public Utilities Commission

June 10, 1974

PETITION for license to install underwater telephone cables; granted.

TELEPHONES, § 2 — Construction and equipment — Submarine cables.

[N.H.] A telephone company was allowed to install submarine cables in public waters in order to meet public service requirements.

BY THE COMMISSION:

Order

WHEREAS, by petition filed June 7, 1974, the New England Telephone and Telegraph Company seeks a license pursuant to RSA 371:17 — 20 to place and maintain a submarine plant crossing state owned public water in Holderness, New Hampshire across Squam Lake; and

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WHEREAS, the petitioner represents that the proposed construction will cross approximately three thousand (3,000) feet of the Lake from Pole No. 46A/8 on Mooney Point on the mainland to private property of R. V. C. Whitehead, Jr. on the middle Three Sisters Islands; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all the facts before the Commission, it is found that the proposed construction is necessary to meet the reasonable requirements of the public, and in particular to provide telephone service to R. V. C. Whitehead, Jr. and for future growth in the New England Telephone and Telegraph Company's Ashland Exchange, and that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is, granted to the New England Telephone and Telegraph Company to place and maintain a submarine crossing under Squam Lake in the Town of Holderness, all in accordance with the above description which is contained on a plan on file at the office of the Commission.

By order of the Public Utilities Commission of New Hampshire this tenth day of June, 1974.

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NH.PUC*06/11/74*[77331]*59 NH PUC 224*New Hampshire Electric Cooperative, Inc.

[Go to End of 77331]

Re New Hampshire Electric Cooperative, Inc.

I-R14,242, Order No. 11,455

59 NH PUC 224

New Hampshire Public Utilities Commission

June 11, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a development.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 21 with Robert Peno, d/b/a Brookfield Heights, effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this eleventh day of June, 1974.

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NH.PUC*06/11/74*[77332]*59 NH PUC 225*Manchester Gas Company

[Go to End of 77332]

Re Manchester Gas Company

I-R14,243, Order No. 11,456

59 NH PUC 225

New Hampshire Public Utilities Commission

June 11, 1974

APPROVAL of a special rate contract between a gas company and a Masonic lodge.

BY THE COMMISSION:

Order

WHEREAS, Manchester Gas Company, a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 16 with, the Manchester Masonic Temple Association, effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this eleventh day of June, 1974.

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NH.PUC*06/11/74*[77333]*59 NH PUC 225*Pennichuck Water Works

[Go to End of 77333]

Re Pennichuck Water Works

D-R6630, Order No. 11,457

59 NH PUC 225

New Hampshire Public Utilities Commission

June 11, 1974

APPLICATION by a water company for an increase in rates; granted.

RETURN, § 35 — Attrition — Rate increase — Other factors.

[N.H.] A water company was allowed to collect additional revenues where it had been suffering from attrition due to expansion costs associated with new customers, but the company was ordered to study its revised main extension tariff as a possible means of alleviating the problem as well.

APPEARANCES: Franklin Hollis and John B. Pendleton for the petitioner; H. Philip Howorth for the city of Nashua.

BY THE COMMISSION:

Report

These proceedings were initiated by the petitioner, Pennichuck Water Works, a public utility

engaged in supplying water service primarily in the City of Nashua, having on

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December 14, 1973 filed a petition for an increase in rates. On January 18, 1974 Pennichuck Water Works filed a "Petition for Temporary Rates". On December 27, 1973 this Commission suspended the proposed increase pending investigation and decision thereon. On February 19, 1974 an Order of Notice was issued providing for a hearing to be held at the office of the Commission on March 12, 1974 at 10:00 a.m. On February 22, 1974 a new Order of Notice was issued providing for the hearing to be held on both the proposed increase in rates and on the petition for temporary rates.

A hearing was held in Concord on March 12, 1974. The Company presented testimony and other evidence indicating a need for increased revenues of two hundred six thousand five hundred twenty two dollars (\$206,522). The Company used its fiscal year, the calendar year 1973, as the test year.

At the hearing H. Philip Howorth, Esquire, for the City of Nashua as Intervenor, requested and time was granted for submission of a memorandum, and also for reply by Company's counsel.

We find that the Company's submitted eleven percent (11%) cost of common equity is fair. The eleven percent (11%) is the same as the cost rate found in our order, dated December 13, 1971. This rate was not found by applying a ratio to long-term debt costs and we find that Intervenor's assumptions are not correct. We accept the petitioner's exhibit no. 13 as correctly showing the cost of capital at eight and eight tenths percent (8.8%).

We find that a fair rate of return is nine and no tenths percent (9.0%) and that this return should enable the Company to attract capital and assure confidence and stability in the financial status of the utility.

The Company made pro forma adjustments to its average rate base for non-revenue producing expenditures and made pro forma adjustments to its test year expenses for certain known changes. In a "normal" year revenue growth may eliminate or partially offset the need for making such adjustments to test year expenses and to the average rate base. The year 1974 through May 31 shows a decrease in revenues on a year to year basis, while costs continue to escalate. Petitioner has already incurred one hundred fifty thousand dollars (\$150,000) of short-term debt and believes its additional borrowings will equal or exceed the amounts submitted at the hearing.

Under prevailing conditions we find the rate base to be five million nine hundred four thousand nine hundred seventeen dollars (\$5,904,917), exhibit 9.

The pro forma net operating income, exhibit 11, includes the additional revenue, two hundred six thousand five hundred twenty two dollars (\$206,522), as filed with the petition for increased rates. This net operating income does not reflect rate case expense nor has the federal income tax liability been adjusted to reflect the amount due on the filing of the tax return. We find that the two hundred six thousand five hundred twenty two dollars (\$206,522) additional revenues should allow the Company to earn a nine and no tenths percent (9.0%) rate of return.

The Company experienced attrition in its rate of return in at least the last two (2) years. To the extent that this attrition has been due to expansion costs to service new customers, this element should be somewhat alleviated by the revised April 13, 1973 tariff provisions applicable to main extensions. The Company is directed to further study this aspect of its tariff and to submit to this Commission statistical data under the present provisions with suggested changes, if any, in extension policies.

Petitioner has agreed to withdraw its petition for temporary rates, such withdrawal to be without prejudice to any future requests for temporary rates. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that the revisions of its tariff, N.H.P.U.C. No. 4 — Water, providing for an increase of two hundred six thousand five hundred twenty two dollars (\$206,522) as filed by Pennichuck Water Works on December 14, 1973, which revisions were suspended by Commission Order No. 11,231 dated December 27, 1973, be redated and made effective with all current bills rendered on or after July 1, 1974, such revised tariff pages (Fourth

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Revised Page 21, Fourth Revised Page 22, Fourth Revised Page 23 and Fourth Revised Page 24) to carry the notation "Issued in compliance with Order No. 11,457 in case D-R6630 ([1974] 59 NH PUC 225); and it is

FURTHER ORDERED, that Pennichuck Water Works give public notice of these new rates by publishing the same once prior to the effective date in a newspaper having general circulation in the territory served by said Company; and it is

FURTHER ORDERED, that Pennichuck Water Works is to further study its main extension provisions in the present tariff and to submit to the Commission statistical data under the present provisions with suggested changes, if any, in extension policies.

By order of the Public Utilities Commission of New Hampshire this eleventh day of June, 1974.

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NH.PUC*06/12/74*[77334]*59 NH PUC 227*New Hampshire Electric Cooperative, Inc.

[Go to End of 77334]

Re New Hampshire Electric Cooperative, Inc.

I-R14,245, Order No. 11,458

59 NH PUC 227

New Hampshire Public Utilities Commission

June 12, 1974

APPROVAL of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 24 with Jerald Hutchinson, effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twelfth day of June, 1974.

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NH.PUC*06/13/74*[77335]*59 NH PUC 228*New England Power Company

[Go to End of 77335]

Re New England Power Company

DF 74-86, Order No. 11,460

59 NH PUC 228

New Hampshire Public Utilities Commission

June 13, 1974

APPLICATION for authority to issue additional common stock; granted.

SECURITY ISSUES, § 96 — Common stock — Foreign corporation.

[N.H.] An electric company, incorporated in another state, was allowed to issue and sell additional shares of common stock to the sole owner of its present stock, with the proceeds to be used to pay off short-term debt.

APPEARANCES: Kirk L. Ramsauer for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed May 10, 1974, New England Power Company (the "Company") seeks authority to issue additional Common Stock. At the hearing on the petition, held in Concord on June 13, 1974, the Company represented that it is a corporation, organized under the laws of Massachusetts, owning and operating properties in Massachusetts, New Hampshire and Vermont, including hydroelectric developments and storage reservoirs on the Connecticut River and transmission lines therefrom. It is qualified as a foreign corporation to do business in New Hampshire but does not engage in local distribution therein.

The Company now has outstanding five million seventy four thousand eight hundred ninety six (5,074,896) shares of Common Stock of a par value of twenty dollars (\$20) per share; eight hundred sixty thousand two hundred eighty (860,280) shares of Preferred Stock of a par value of one hundred dollars (\$100) per share; and First Mortgage Bonds, issued under an Indenture of Trust and First Mortgage, dated as of November 15, 1936, consisting of:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

	<i>Principal Amount</i>
Series B, 3% due 1978	\$ 11,000,000
Series C, 2 3/4%, due 1979	5,000,000
Series D, 2 7/8%, due 1981	12,000,000
Series E, 3 1/4%, due 1982	5,000,000
Series F, 3 1/4%, due 1985	25,000,000
Series G, 4 3/8%, due 1987	10,000,000
Series H, 4%, due 1988	10,000,000
Series I, 4 5/8%, due 1991	20,000,000
Series J, 4 3/8%, due 1992	12,000,000
Series K, 4 1/2%, due 1993	10,000,000
Series L, 6 3/8%, due 1996	10,000,000
Series M, 6 7/8%, due 1997	15,000,000
Series N, 7 1/8%, due 1998	20,000,000
Series O, 7 3/8%, due 1998	20,000,000
Series P, 8 3/8%, due 1999	15,000,000
Series Q, 7%, due 1976	20,000,000
Series R, 7 5/8%, due 2002	25,000,000
Series S, 8 5/8%, due 2003	40,000,000
Series T, 8 3/8%, due 2003	40,000,000
	\$325,000,000

At March 31, 1974 the Company also had outstanding Short-Term Notes Payable in the aggregate principal amount of ninety three million dollars (\$93,000,000).

New England Power Company proposed to issue seven hundred fifty thousand (750,000) additional shares of Common Stock, of the par value of twenty dollars (\$20) per share, for a price of forty dollars (\$40) per share, or an aggregate amount of thirty million dollars (\$30,000,000). These shares will be sold to New England Electric System, the sole owner of all of the outstanding Common Stock of the Company. It was testified that forty dollars (\$40) per share is an equitable price for this Common Stock, based on current, past and prospective earnings of New England Power Company as well as the ratio of earnings to market prices of other electric utilities in New England which were used for comparative purposes.

New England Power Company proposes to apply the proceeds from the sale of said additional Common Stock to the payment of outstanding short-term promissory notes of the

Company issued to pay for capitalizable expenditures or to the reimbursement of its treasury therefor.

The Company submitted in evidence its Balance Sheet as of March 31, 1974, as per books and pro forma to reflect the sale of the additional Common Stock and the application of the proceeds.

The record in this proceeding shows that the total uncapitalized expenditures of New England Power Company at March 31, 1974 amounted to two hundred forty one million eight hundred thirty six thousand eight hundred nine dollars (\$241,836,809). Part of this amount would be capitalized through the proposed issue and sale of the Common Stock under consideration. A portion of the uncapitalized Fixed Capital Expenditures relates to expenditures in New Hampshire.

Certified copies of the necessary corporate authorizations were attached to the petition.

Based on the Balance Sheet of the Company, adjusted for the issuance of additional Common Stock, the pro forma ratio of Bonds to the total capitalization of the Company is fifty and no tenths percent (50.0%). Preferred Stock thirteen and three tenths percent (13.3%) and Common Equity thirty six and seven tenths percent (36.7%).

Upon investigation and consideration of the evidence submitted, the Commission is of the opinion that the granting of the several authorizations sought will be consistent with the public good. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that New England Power Company be, and hereby is, authorized to issue and sell for cash seven hundred fifty thousand (750,000) shares of Common Stock of the par value of twenty dollars (\$20) per share, at a price of forty dollars (\$40) per share; and it is

FURTHER ORDERED, that the proceeds from the sale of said Common Stock be applied to the payment of outstanding short-term promissory notes of the Company issued to pay for capitalizable expenditures or to the reimbursement of its treasury therefor; and it is

FURTHER ORDERED, that on or before January first and July first, in each year, said New England Power Company shall file with this Commission a detailed statement, duly sworn to by its Treasurer, or an Assistant Treasurer, showing the disposition of the proceeds of said Common Stock, until the expenditure of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of June, 1974.

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NH.PUC*06/26/74*[77336]*59 NH PUC 229*New Hampshire Electric Cooperative, Inc.

[Go to End of 77336]

Re New Hampshire Electric Cooperative, Inc.

I-R14,251, order No. 11,474
59 NH PUC 229
New Hampshire Public Utilities Commission
June 26, 1974

APPROVAL of a special rate contract between an electric cooperative and a land developer.

Page 229

BY THE COMMISSION:

Order

Whereas, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 27 with Harold Cook, d/b/a Land Vest, Incorporated effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty sixth day of June, 1974.

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NH.PUC*06/26/74*[77337]*59 NH PUC 230*New Hampshire Electric Cooperative, Inc.

[Go to End of 77337]

Re New Hampshire Electric Cooperative, Inc.

I-R14,250, Order No. 11,475
59 NH PUC 230
New Hampshire Public Utilities Commission
June 26, 1974

APPROVAL of a special rate contract between an electric cooperative and a land developer.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc, a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract

No. 26 with Harold Cook, d/b/a Land Vest, Incorporated effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of June, 1974.

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NH.PUC*06/26/74*[77338]*59 NH PUC 231*New Hampshire Electric Cooperative, Inc.

[Go to End of 77338]

Re New Hampshire Electric Cooperative, Inc.

I-R14,249, Order No. 11,476

59 NH PUC 231

New Hampshire Public Utilities Commission

June 26, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a private company.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc, a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 28 with Brooks Dodge, President, d/b/a Mt. Washington Soaring, Inc. effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of June, 1974.

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NH.PUC*06/26/74*[77339]*59 NH PUC 231*New Hampshire Electric Cooperative, Inc.

[Go to End of 77339]

Re New Hampshire Electric Cooperative, Inc.

I-R14,248, Order No. 11,477

59 NH PUC 231

New Hampshire Public Utilities Commission

June 26, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a development.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc, a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 22 with Edward Kulakowski, d/b/a Shannon Acres Development effective on the date service first made available, for service at rates other than those

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fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of June, 1974.

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NH.PUC*06/27/74*[77340]*59 NH PUC 232*New Hampshire Electric Cooperative, Inc.

[Go to End of 77340]

Re New Hampshire Electric Cooperative, Inc.

I-R14,254, Order No. 11,749

59 NH PUC 232

New Hampshire Public Utilities Commission

June 27, 1974

APPROVAL of a special rate contract between an electric cooperative and a development.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc, a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 25 with Robert Clement, President, d/b/a Liberty Tree Acres, Inc. effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of June, 1974.

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NH.PUC*06/27/74*[77341]*59 NH PUC 233*New Hampshire Electric Cooperative, Inc.

[Go to End of 77341]

Re New Hampshire Electric Cooperative, Inc.

I-R14,255, Order No. 11,480

59 NH PUC 233

New Hampshire Public Utilities Commission

June 27, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc, a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 19 with George D. Kopperl, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of

June, 1974.

=====

NH.PUC*06/28/74*[77342]*59 NH PUC 233*Public Service Company of New Hampshire

[Go to End of 77342]

Re Public Service Company of New Hampshire

DE 74-62, Order No. 11,484

59 NH PUC 233

New Hampshire Public Utilities Commission

June 28, 1974

DENIAL of a petition by an electric company to extend its lines of service

SERVICE, § 198 — Extension — Electric — Competing utilities.

[N.H.] Where two utilities are competing for a line extension area, the franchise should be granted to the nearest utility to provide for the most economical service, despite any preferences the new customer may have.

APPEARANCES: Russell A. Winslow, clerk and secretary for the petitioner; Mayland H. Morse, Jr., Carroll C. Bailey, pro se for New Hampshire Electric Cooperative, Inc.

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BY THE COMMISSION:

Report

On March 18, 1974, Public Service Company of New Hampshire, pursuant to the provisions of RSA 374:23, filed an application requesting Commission authority to serve one customer in the town of Epsom.

Following established procedure in such cases where the premises proposed to be served is within 1,000 feet of the existing electric service lines of another utility, this Commission wrote the other utility, New Hampshire Electric Cooperative, Inc, inquiring whether it had any objection to the proposal of the Public Service Company of New Hampshire. Upon receipt of notification from the Cooperative on March 19, 1974 that it did object to the proposal, notice of hearing on the petition was issued on April 3, 1974, setting the date of hearing for April 18, 1974, to be held at the Commission offices in Concord. The hearing was held as scheduled.

Testimony introduced at the hearing disclosed that the premises to be served is 765 feet from the last customer on the Cooperative's distribution line on Lords Mill Road and 1,050 feet from

the Public Service line on a cross-country route. Under the terms of each company's line extension plan the monthly guarantee would be approximately the same.

Public Service represented that the area to be served is within its franchised territory and therefore that it has an obligation to provide service to any applicant in this area; further, that Commission Order No. 6208 concerning the 1,000 foot franchise of the Cooperative did not take away the franchise granted to Public Service.

The Cooperative represented that the two companies concerned have proceeded harmoniously in similar situations since the passage of the controlling statute (RSA 374:23) and, further, that an informal agreement had been reached between the two companies that when a customer applied and is within 1,000 feet but greater than 300 feet of both, then the nearest utility would serve; also that several other homes will be built in this locality and would be served by the Cooperative.

The customer in this instance expressed a desire to be served by the Public Service Company, having received good service from that company at another location for 20-25 years.

The Commission is of the opinion that RSA 374:23 is the controlling statute in this case and that, where two competing utilities are involved, the franchise should be granted in a manner so as to prevent duplication of facilities now and in the future, as well as to provide for the furnishing of service in the most economical manner. Based on the evidence in this case, it is our opinion that service to the applicant by New Hampshire Electric Cooperative, Inc. would best fulfill these conditions. Because of the expressed desire for immediate service by the prospective customer, the above decision was orally reported to, and accepted by, all parties in this proceeding. Our order will issue accordingly.

Order

In view of the foregoing report, which is made a part hereof; it is

ORDERED, that the petition of Public Service Company of New Hampshire be, and hereby is, denied; and it is

FURTHER ORDERED, that permission be, and hereby is, granted to New Hampshire Electric Cooperative, Inc. to provide electric service to Carroll and Mary Bailey on Lords Mill Road in Epsom, New Hampshire, said location being within one thousand (1,000) feet of the lines of Public Service Company of New Hampshire.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of June, 1974.

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NH.PUC*07/05/74*[77343]*59 NH PUC 235*Granite State Electric Company

[Go to End of 77343]

Re Granite State Electric Company

DR 74-88, Order No. 11,489

59 NH PUC 235

New Hampshire Public Utilities Commission

July 5, 1974

APPROVAL of a purchased power cost adjustment.

RATES, § 303 — Purchased power clause — Increased wholesale rates.

[N.H.] An electric company was allowed to implement a purchased power cost adjustment, subject to refund, where its sole supplier had increased its rates but the company's rate of return would not increase as a result.

APPEARANCES: Philip H. R. Cahill for the petitioner.

BY THE COMMISSION:

Report

On May 14, 1974, Granite State Electric Company (the Company), a public utility engaged in the business of supplying electric service in the State of New Hampshire, filed with this Commission Original Page 36-B, of its Tariff, N.H.P.U.C. No. 6 — Electricity, providing for Purchased Power Cost Adjustment No. 2, effective June 14, 1974, adjusting its rates to reflect changes in the cost of purchased power which became effective May 15, 1974, in the amount of seven hundred ninety-seven thousand and twelve dollars (\$797,012) per year.

On May 23, 1974, Order No. 11,434 was issued, suspending the aforementioned filing pending hearing and investigation thereon.

Pursuant to published notice, a public hearing was held on June 13, 1974, at the office of the Commission and no one appeared in opposition. The Company submitted testimony and other evidence showing that the rate of return presently being realized by the Company is already below its cost of capital, and that its financial condition would become extremely serious if it were not permitted to offset the New England Power Company increase through this rate adjustment. The Company receives its total power from New England Power Company, a supplier of bulk electricity to many electric utilities. The rate structure of New England Power is under the jurisdiction of the Federal Power Commission, and, under the rules of that Commission, the rates charged to the Company by New England Power Company have been increased by \$803,363 effective May 15, 1974, subject to investigation by the Federal Power Commission and possible refund.

The Commission finds that Purchased Power Cost Adjustment No. 2, as submitted by the Company, will serve to offset the increased purchased power costs already being incurred and is necessary for such purpose, and that this tariff will not increase the Company's rate of return. The consumer is protected by clauses contained in the Company's Purchased Power Cost Adjustment Provisions, providing that if there is a decrease in the wholesale price charged by New England Power, the Company will promptly file notice of an adjustment to reflect it, and if,

at the conclusion of the New England Power Company proceeding before the Federal Power Commission refunds are made by New England Power to the Company, equivalent refunds will be made to the Company's customers, to the extent the Company has collected under this agreement. The Company's tariff filing will cause the Purchased Power Cost Adjustment No. 2 increase to be applied in equal amounts to each KWH sold. The increase represented thereby may be applied to all electric service rendered to customers after May 15, 1974, and bills hereafter rendered covering service prior to that date shall

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be approximately adjusted. Our order will issue accordingly. Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Original page 36-B of the Granite State Electric Company tariff, N.H.P.U.C. No. 6 — Electricity, providing for a purchased power cost adjustment no.2, filed May 14, 1974 effective June 14, 1974 and which tariff page was suspended by Order No. 11,434 dated May 23, 1974, is now made effective with all service rendered on and after May 15, 1974; and it is

FURTHER ORDERED, that Granite State Electric Company give public notice of this Purchased Power Adjustment Clause by publishing a copy of this order upon receipt in a newspaper having general circulation in the territory served by said company.

By order of the Public Utilities Commission of New Hampshire this fifth day of July, 1974.

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NH.PUC*07/10/74*[77344]*59 NH PUC 236*Concord Electric Company

[Go to End of 77344]

Re Concord Electric Company

DR 74-1, Supplemental Order No. 11,493

59 NH PUC 236

New Hampshire Public Utilities Commission

July 10, 1974

PETITION by an electric company for interim rate relief; granted.

1. RATES, § 630 — Temporary rates — Poor national economy.

[N.H.] Because of deteriorating money markets and slowed energy growth in a time when utilities needed to continue construction, the commission granted an electric company temporary rate relief in order to maintain the company's financial integrity. p. 237.

2. RATES, § 630 — Temporary rates — Recovery from residential customers.

[N.H.] The commission refused to validate an electric company's proposal to collect a temporary rate increase solely from residential customers while reducing the commercial and industrial rates. p. 237.

APPEARANCES: Franklin Hollis, and Joseph S. Ransmeier, for the petitioner; Warren E. Waters, special counsel to the commission for the public utilities commission.

BY THE COMMISSION:

Report

These proceedings were initiated on January 2, 1974, when Concord Electric Company (sometimes hereinafter referred to as the "Company"), a public utility engaged in the business of supplying electrical power and energy for public and private use under jurisdiction of this Commission, filed Tariff N.H.P.U.C. No. 5 with this Commission, a substantial revision of its existing tariff and seeking to increase its annual gross revenues by approximately five hundred twelve thousand dollars (\$512,000).

Pursuant to the authority vested in this Commission by RSA 378:6, on January 13, 1974, by Order No. 11,263, we suspended the proposed rate increase pending an investigation and public hearing, as authorized by RSA 378.5.

On May 29, 1974 the Company filed a Petition for Temporary Rates, asking that

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Tariff No. 5 be fixed and determined as temporary rates for the duration of the proceedings.

On June 6, 1974 we ordered that hearings be commenced on June 26, 1974 on the petition for an increase in rates and on the petition for temporary rates.

Hearings were held in Concord on June 26 and 27, and on July 2, 1974 with the Company putting on a major portion of its testimony and with cross-examination by the Commission counsel and staff. The hearings were recessed until a date to be set for reconvening the hearings.

At the hearings the Company presented testimony and exhibits alleging the need for temporary rates, alleging the need for an increase in rates and alleging that the rate blocks contained in Tariff No. 5 were reasonable.

The financial data primarily relied upon by the Company was based on a test year, the year ended December 31, 1973, with some reference to current 1974 results. The Company alleged that it was unable to do any permanent financing at this time due to the Company's earnings level and due to the condition of the capital markets.

[1] In recent months the money markets in this Country have been in an extremely poor condition. As indications of the present state of the money markets, the prime bank loan rate has risen to a record high of twelve percent (12%) as compared to six percent (6%) at the end of 1972 and as compared to eight and three fourths (8 3/4%) in March of 1974. The bond markets and the stock markets are also in poor condition at the present time.

The need for utility financing continues at high levels in order to partially fund construction, to meet maturing debt and for other operating needs. While energy growth has slowed or stopped in recent months, construction can only be reduced and not eliminated if utilities are to be able to provide service to existing and new customers.

The Company's evidence showed a deteriorating financial position as to both earnings and capital needs under its existing rates. The Company submitted testimony and exhibits alleging a need for increased rates above the amount proposed in Tariff No. 5.

We do not agree with many items submitted by the Company. We do not accept their financial exhibits as filed. Through our cross-examination we have made known some of our many objections to and disagreement with the Company's filings. However, we do agree with the Company that at this time its earnings level will make it difficult or impossible to finance its capital requirements.

This Commission views the temporary rate provisions as applicable only where need is clearly shown. These provisions should not be used indiscriminately but only where the public interest so requires. We are dealing with an issue important to the consumer and to the Company. The New Hampshire statutes authorize temporary rates when appropriate and specify the effects of a later permanent rate decision on the interim period during which temporary rates apply. The statutes also authorize this Commission to terminate temporary rates prior to final determination of the rate proceeding.

We find that this case, at this time, clearly warrants the application of the temporary rates provisions.

We are charged with the duty and have the power to keep informed as to all public utilities under our jurisdiction. These proceedings leading to a final rate decision will continue for some time. The need for temporary rates arises from economic conditions existing at this moment and these conditions are likely to change in ensuing months, at least as to degree. We are requiring the Company to furnish this Commission, in addition to monthly data normally filed with us, a copy of their detailed financial statements each month until permanent rates are finally decided.

[2] In its proposed Tariff 5 the Company planned to collect the five hundred twelve thousand dollars (\$512,000) [a nine percent (9%) increase] by collecting more than the total increase from the residential consumer and by decreasing the rates of the combined group of industrial and commercial customers. We do not have at this time sufficient up-to-date data to validate the proposed rate structure set forth in Tariff No. 5. We have raised substantial questions concerning the data submitted by the Company attempting to justify the proposed rate structure.

Page 237

We find that it is in the public interest that the Company's present tariff (N.H.P.U.C. No.4), plus an amount calculated to produce an increase in annual gross revenues of approximately five hundred twelve thousand dollars (\$512,000), be prescribed as temporary rates, under RSA 378:27, effective with all current billings rendered on and after July 10, 1974. The increased amount, approximately five hundred twelve thousand dollars (\$512,000), is to be applied ratably to all customers. We further find that the Company shall file a repayment bond, under RSA

378:30, to secure repayment to the customers of the difference, if any, between the amounts collected under such temporary rates and the rates that the Commission finds should have been in effect during the continuance of such temporary rates. Our order will issue accordingly.

Supplemental Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that the rates and charges of Tariff N.H.P.U.C. No. 4 of the Concord Electric Company currently in effect be increased by nine percent (9%) (exclusive of the fuel surcharge) and the combination thereof be established as temporary rates to produce approximately five hundred twelve thousand dollars (\$512,000) of additional annual gross revenues, effective with all current billings rendered on and after the date of this order; and it is

FURTHER ORDERED, that the Concord Electric Company give public notice of those changes by publishing a copy of this order, upon receipt, in newspapers having general circulation in the territory served by said company; and it is

FURTHER ORDERED, that the Concord Electric Company furnish this Company with a bond to secure the repayment to the customers of the public utility of the difference between the amounts collected under such temporary rates and the rates which the Commission find should have been in effect during the continuance of such temporary rates; and it is

FURTHER ORDERED, that the Concord Electric Company comply with the furnishing of all data as set forth in the above report.

By order of the Public Utilities Commission of New Hampshire this tenth day of July, 1974.

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NH.PUC*07/15/74*[77345]*59 NH PUC 238*Northern Utilities, Inc.

[Go to End of 77345]

Re Northern Utilities, Inc.

I-R14,259, Order No. 11,498

59 NH PUC 238

New Hampshire Public Utilities Commission

July 15, 1974

ACCEPTANCE of a special rate contract between a gas company and an electric company.

BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc., a utility selling gas under the jurisdiction of this Commission, has filed with this Commission, a copy of its Special Contract No. 17 with the General Electric Company effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the date thereof.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of July, 1974.

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NH.PUC*07/15/74*[77346]*59 NH PUC 239*Central Vermont Public Service Corporation

[Go to End of 77346]

Re Central Vermont Public Service Corporation

DE 74-102, Order No. 11,500

59 NH PUC 239

New Hampshire Public Utilities Commission

July 15, 1974

ORDER authorizing an electric company to transfer its transmission lines and rights of way to another electric company.

CONSOLIDATION, MERGER, AND SALE, § 22 — Electric transmission Lines — Franchise area.

[N.H.] An electric company was allowed to sell and transfer to another electric company its transmission facilities and easements that were located in the other company's franchise area.

BY THE COMMISSION:

Order

WHEREAS, by petition filed June 5, 1974, pursuant to RSA 374:30, Central Vermont Public Service Corporation seeks authority to sell and transfer an electric transmission line, and accompanying easements to the Public Service Company of New Hampshire; and

WHEREAS, said petition alleges that the petitioner presently owns and operates a certain 115 KV electric transmission line, consisting of wood pole structures and conductors together with all their appurtenances; and

WHEREAS, said petition alleges that the electric transmission line extends from Structure #

2 of the petitioner in its 115 KV transmission line located in the Town of Winchester, New Hampshire to, but not including, Structure # 38 at its interconnection with the New England Power Company's 115 KV transmission line in the Town of Hinsdale, New Hampshire; and

WHEREAS, said petition further alleges that the petitioner owns in fee certain rights, easements and mortgage releases relative to the above described line; and

WHEREAS, by resolution signed, sealed and dated January 2, 1972 the Board of Directors of the petitioner company resolved to execute and deliver a deed describing the aforementioned transmission line, appurtenances and easements to the Public Service Company of New Hampshire in consideration for the payment of two hundred twenty seven thousand five hundred thirty seven dollars and sixty four cents (\$227,537.64); and

WHEREAS, the Public Service Company presently holds franchise operating rights in the Towns of Winchester and Hinsdale; and

WHEREAS, upon investigation the Commission finds that the proposed sale is just, reasonable and consistent with the public good and that it is desirable for a public

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utility to own the transmission lines and facilities in its franchise area; it is

ORDERED, that the Central Vermont Public Service Corporation be, and hereby is, authorized to transfer and sell to the Public Service Company of New Hampshire that portion of the 115 KV electric transmission line extending from Structure # 2 on that line located in the Town of Winchester, New Hampshire to, but not including, Structure # 38, at its interconnection with the New England Power Company's 115 KV transmission line in the Town of Hinsdale together with poles, conductors and other appurtenances incidental thereto and also all easements and other real property rights; and it is

FURTHER ORDERED, that upon consummation of the sale and transfer the Public Service Company of New Hampshire be, and hereby is, authorized to operate the acquired transmission lines.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of July, 1974.

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NH.PUC*07/17/74*[77347]*59 NH PUC 240*New England Power Company

[Go to End of 77347]

Re New England Power Company

DF 74-23, Fifth Supplemental Order No. 11,501

59 NH PUC 240

New Hampshire Public Utilities Commission

July 17, 1974

EXTENSION of a utility's authority to issue and renew certain bonds and notes without prior commission approval.

BY THE COMMISSION:

Fifth Supplemental Order

WHEREAS, by Order No. 11,331 of this Commission, dated March 6, 1974, New England Power Company was granted permission, from time to time, to issue and renew its Bonds, Notes, or other evidence of indebtedness, payable less than twelve (12) months after the date thereof, in an aggregate amount outstanding at any one time (not including any such indebtedness which is to be retired with the proceeds of any such issue or renewal), not in excess of one hundred twenty-four million dollars (\$124,000,000) which permission expires March 31, 1975 unless such period is extended by order of this Commission; and

WHEREAS, New England Power Company on July 1, 1974 sought authority to March 31, 1975 to issue its short-term notes in an increased amount of one hundred thirty million dollars (\$130,000,000); and

WHEREAS, this Commission, after investigation and consideration finds that said request is consistent with the public good; it is

ORDERED, that New England Power Company, without first obtaining the approval of this Commission be, and hereby is, authorized, from time to time, to issue and renew its Notes, Bonds or other evidences of indebtedness payable less than twelve (12) months from the date thereof, in an aggregate amount thereof outstanding at any one time (not including any such indebtedness which is to be retired with the proceeds of any such issue or renewal), not in excess of one hundred thirty million dollars (\$130,000,000); and it is

FURTHER ORDERED, that the permission contained herein shall expire March 31, 1975 unless such period is extended by order of this Commission; and it is

FURTHER ORDERED, that on January first and July first in each year said New England Power Company shall file with this

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Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of proceeds of said Notes, Bonds or other evidences of indebtedness until the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of July, 1974.

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NH.PUC*07/17/74*[77348]*59 NH PUC 241*New Hampshire Electric Cooperative, Inc.

[Go to End of 77348]

Re New Hampshire Electric Cooperative, Inc.

I-R14, 260, Order No. 11,503

59 NH PUC 241

New Hampshire Public Utilities Commission

July 17, 1974

APPROVAL of a special rate contract between an electric cooperative and a real estate development.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 23 with Walter J. Stamp, d/b/a Bachelor Mountain Estates effective on the date service first made available, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of July, 1974.

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NH.PUC*07/18/74*[77349]*59 NH PUC 241*Concord Electric Company

[Go to End of 77349]

Re Concord Electric Company

DE 74-140, Order No. 11,504

59 NH PUC 241

New Hampshire Public Utilities Commission

July 18, 1974

APPLICATION by an electric company for an extension of its lines and service area; granted.

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SERVICE, § 198 — Extensions — Electric — Waiver of rights.

[N.H.] Where one electric company had waived its franchise rights to a limited area of town and another company had rights to a contiguous area, the second company was allowed to extend its lines and service into that limited area.

BY THE COMMISSION:

Order

WHEREAS, the Concord Electric Company on July 18, 1945 (Order No. 4728, 27 N.H.P.U.C. 163) was authorized to extend its lines and service into a limited area of the Town of Allenstown; and

WHEREAS, on March 7, 1974 Concord Electric Company filed a petition pursuant to RSA 374:22 and RSA 374:26 seeking authority to extend its lines and service further into the Town of Allenstown, as shown on a plan filed with this Commission; and

WHEREAS, that part of the Town of Allenstown into which the petitioner wishes to extend is presently part of the franchise area of the Public Service Company of New Hampshire and is served by that company; and

WHEREAS, the Public Service Company of New Hampshire, by letter dated February 7, 1974 of R. J. Harrison (the authorized representative of the company), agreed to waive all its rights, privileges and franchise to operate in that portion of Allenstown sought to be served by the Concord Electric Company provided that the Concord Electric Company obtain authority from this Commission to engage in business therein; and

WHEREAS, after investigation and consideration, this Commission finds that the authorization sought will be in the public good; and

WHEREAS, the intended new service area is immediately southerly of the present service area described in Order No. 4728; it is

ORDERED, that authority be, and hereby is, granted to Concord Electric Company to do business as an electric public utility and to extend its lines and service in a limited area of the Town of Allenstown so that the entire franchise area is bounded and described as follows:

Beginning at a point on the northerly Town Line of Allenstown, County of Merrimack, State of New Hampshire, said point being approximately six thousand two hundred and fifty (6,250) feet westerly of the most northeasterly corner of said Town; thence south 22° east a distance of approximately five thousand and fifty (5,050) feet to the northerly edge of an existing Public Service Company of New Hampshire Transmission Line #G-146 right of way, said point, located on the northerly edge of aforementioned Transmission Line #G-146 right of way, is approximately three thousand six hundred (3,600) feet west of the most easterly Town Line of said Allenstown as measured along said Transmission Line; thence north 72° 30' west (approximately), along the northerly edge of said Transmission Line #G-146 right of way a distance of approximately three thousand nine hundred (3,900) feet to an angle; thence north 52°

30' west (approximately), along the northerly edge of said Transmission Line #G-146 right of way, a distance of approximately six thousand six hundred (6,600) feet to the northerly edge of the New Rye Road; thence north 47° west (approximately), a distance of approximately three thousand two hundred (3,200) feet to a point on the most northerly Town Line of said Allenstown, said point also is located approximately two thousand six hundred (2,600) feet west of the New Rye Road as measured along the Town Line; thence south 87° 30' east (approximately) along the most northerly Town Line of said Allenstown, a distance of approximately ten thousand nine hundred (10,900) feet to the point of beginning;

and it is

FURTHER ORDERED, that the Public Service Company of New Hampshire be, and hereby is, authorized to discontinue operations as an electric public utility in the above described area.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of July, 1974.

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NH.PUC*07/19/74*[77350]*59 NH PUC 243*Northern Utilities, Inc.

[Go to End of 77350]

Re Northern Utilities, Inc.

D-F6416, Supplemental Order No. 11,505

59 NH PUC 243

New Hampshire Public Utilities Commission

July 19, 1974

PETITION for authority to issue common stock; granted.

SECURITY ISSUES, § 96 — Common stock — Incentive stock option plan — Purposes.

[N.H.] A utility was authorized to issue and sell additional shares of its common stock pursuant to an incentive stock option plan with the proceeds to be used for repaying short-term debt or for financing additional property.

BY THE COMMISSION:

Supplemental Order

WHEREAS, in Docket No. D-F6416 by Order No. 10,968, the petitioner, Northern Utilities, Inc., was authorized to issue and sell thirteen thousand five hundred (13,500) shares of its Common Stock out of twenty-five thousand (25,000) shares authorized under and pursuant to the Incentive Stock Option Plan; and

WHEREAS, the petitioner has applied, in accordance with Report and Order No. 10,968, to issue and sell two thousand five hundred (2,500) additional shares of its Common Stock pursuant to the Incentive Stock Option Plan; and

WHEREAS, the issuance and sale of two thousand five hundred (2,500) shares of its Common Stock, pursuant to the Incentive Stock Option Plan, is consistent with the public good; it is

ORDERED, that Northern Utilities, Inc. be and hereby is, authorized to issue and sell two thousand five hundred (2,500) shares of its Common Stock, pursuant to the Incentive Stock Option Plan for a price of five dollars (\$5.00) per share payable in cash as therein provided; and it is

FURTHER ORDERED, that the proceeds from the sale of Common Stock shall be used (a) to pay off short-term notes outstanding at the time of sale; the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the Company's business; (b) to reimburse the treasury for expenditures made for the purchase and construction of additional such property; and (c) to finance the purchase and construction of additional such property; and (d) for other proper corporate purposes; it being understood that all expenses incurred in accomplishing the financing will be paid from the general funds of the Company; and it is

FURTHER ORDERED, that on January first and July first in each year, said Northern Utilities, Inc. shall file with this Commission, a detailed statement, duly sworn to by a Vice-President or the Treasurer, showing the disposition of the proceeds of said stock until the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of July, 1974.

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NH.PUC*08/01/74*[77351]*59 NH PUC 244*Hampton Water Works Company

[Go to End of 77351]

Re Hampton Water Works Company

DR 74-110, Order No. 11,510

59 NH PUC 244

New Hampshire Public Utilities Commission

August 1, 1974

ORDER allowing an increase in installation charges on a temporary basis.

RATES, § 604 — Water — Installation charges — Burden on customer.

[N.H.] Where a water company was suffering from an erosion of its financial base, the commission allowed it to temporarily charge new customers for the installation of the service stub from the main to the customer's property line, but the commission was reluctant to permanently shift the cost burden from the company.

APPEARANCES: Joseph S. Ransmeier for the applicant.

BY THE COMMISSION:

Report

By Original Page 3A, 1st Revised Page 9B and 2nd Revised Pages 3 and 4 of tariff N.H.P.U.C. No. 6 issued April 24, 1974 for effect May 24, 1974, Hampton Water Works Company seeks to increase its charge for supplying water to new customers by requiring each customer to pay the cost of installing the service stub from the main to the customer's property line, a cost now the responsibility of the Company.

Following due public notice a hearing was held on July 9, 1974 at the Commission's office in Concord, New Hampshire. The petitioner represented that its earned rate of return has been below its cost of capital, and this Commission is satisfied that the proposed tariff changes will not result in the rate of return being increased to levels above a fair rate.

The Commission is concerned that the Company's financial condition may prohibit the addition of new customers and feels that customer participation in paying for the cost of the service stub may be necessary on a temporary basis to prevent the denial of service to new customers. The Commission is not ready at this time, however, to permit a permanent shift in its policy of rate-making whereby the Company is relieved of its basic responsibility of furnishing certain facilities for the average customer, such facilities to be supported by the basic rate structure. The Company has indicated that it will be filing for increased rates just as soon as it can complete further analysis of its financial condition. The Commission will allow the proposed rate filing relating to service connection charges to become effective on a temporary basis subject to the provision that a record of all customer contributions covering the cost of service stubs be maintained in a suspense account, such contributions to be refunded to each customer of record when, as a result of the new rate filing, provision is made and allowed by the Commission for a fair return on the investment represented in service stubs installed during the period this temporary provision remains in effect. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that tariff pages numbered 2nd Revised Page 3 and 2nd Revised Page 4 be, and hereby are, rejected; and it is

FURTHER ORDERED, that new tariff pages numbered 3rd Revised Page 3 and 3rd Revised Page 4 carrying the notation "Issued in lieu of 2nd Revised Page 3" and "Issued in lieu of 2nd Revised Page 4" be filed carrying out the intent of this report, to be effective with the date of this order; and it is

FURTHER ORDERED, that tariff pages Original Page 3A and 1st Revised Page 9B

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may become effective with the date of this order; and it is

FURTHER ORDERED, that Hampton Water Works Company give public notice of the changes reflected in these new tariff pages by a one time publication in a newspaper having general circulation in the territory served by the Company.

By order of the Public Utilities Commission of New Hampshire this first day of August, 1974.

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NH.PUC*08/05/74*[77352]*59 NH PUC 245*Manchester Water Works

[Go to End of 77352]

Re Manchester Water Works

DE 74-139, Order No. 11,516

59 NH PUC 245

New Hampshire Public Utilities Commission

August 5, 1974

PETITION by a water utility to extend its lines and service; granted.

SERVICE, § 210 — Extensions — Water — Waiver of rights.

[N.H.] A water company was allowed to extend its franchise rights in a town where no other company was servicing the area and the town had waived its own franchise rights.

BY THE COMMISSION:

Order

WHEREAS, Manchester Water Works, in Order No. 6644 dated August 4, 1955 (37 N.H.P.U.C. 188), was authorized to extend its lines and service (its franchise area) into limited portions of the Town of Goffstown; and

WHEREAS, by petition filed July 11, 1974 Manchester Water Works seeks authority to further extend its franchise area (as shown on a plan filed with this Commission) to serve certain parcels of property over and above the property already served by virtue of Order No. 6644; and

WHEREAS, there is no other water utility serving the proposed new service area hereinafter described; and

WHEREAS, the proposed new service area has been considered and approved by the Board of Water Commissioners, Manchester Water Works; and

WHEREAS, the Town of Goffstown by its Selectmen on July 1, 1974 has waived its franchise rights; and

WHEREAS, the petitioner submits that it is able and willing to supply water under rates on file or to be filed with the Public Utilities Commission; and

WHEREAS, after investigation and consideration this Commission is of the opinion that the granting of the petition will be for the public good; it is

ORDERED, that Manchester Water Works be, and hereby is, authorized to do business as a public water utility and to extend its lines and service into a further portion of the Town of Goffstown described as follows:

1. Beginning at a point on Daniel Plummer Road seven hundred five (705) feet southerly of the point where its centerline intersects with the centerline of St. Anselms Drive, thence southerly along Daniel Plummer Road five hundred fifty two (552) feet, more or less, to a point in said Daniel Plummer Road in a line with the southerly most lot line of Lot No. 15 as shown on a plan dated June 25, 1974 and filed with the New Hampshire Public Utilities Commission on July 11, 1974.

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2. Beginning at a point on Crockett Road one hundred thirty five (135) feet, more or less, south of its intersection with St. Anselms Drive, said point being in a line with the northerly lot line of Lot No. 2 as shown on a plan dated June 25, 1974 and filed with the New Hampshire Public Utilities Commission on July 11, 1974, thence southerly and westerly following the path and contour of the said Crockett Road to its intersection with Daniel Plummer Road.

By order of the Public Utilities Commission of New Hampshire this fifth day of August, 1974.

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NH.PUC*08/05/74*[77353]*59 NH PUC 246*Anco Corporation

[Go to End of 77353]

Re Anco Corporation

DE 74-124, Order No. 11,517

59 NH PUC 246

New Hampshire Public Utilities Commission

August 5, 1974

PETITION by a water company to cease operations as a public utility in a certain area; granted.

PUBLIC UTILITIES, § 121 — Status — Water — Transfer of rights.

[N.H.] A water company was allowed to cease operations as a public utility in a limited area and to transfer its facilities in that area to a newly organized water company which was then accorded public utility status.

BY THE COMMISSION:

Order

WHEREAS, Anco Corporation, a water public utility coming under the jurisdiction of this Commission by virtue of new legislation in 1973, by a petition filed June 28, 1974, seeks authority, pursuant to RSA 374:28, to transfer its facilities to the Meeting House Brook Estates Water Company as of September 26, 1963; and

WHEREAS, the property owners of Meeting House Brook Estates who are now furnished water service by Anco Corporation have organized the Meeting House Brook Estates Water Company and are desirous of providing water service in this area; and

WHEREAS, after investigation and consideration, this Commission is satisfied that the granting of the petition will be for the public good; it is

ORDERED, that permission be, and hereby is, granted to Anco Corporation to transfer its facilities to Meeting House Brook Estates Water Company effective as of September 30, 1973, and to discontinue operations as a public water utility in the area now being served in the Town of Pembroke; and it is

FURTHER ORDERED, that Meeting House Brook Estates Water Company is authorized to operate as a public water company in a limited area in the Town of Pembroke, such area to include the lots of the fourteen residences of the so-called Meeting House Brook Estates, as shown on a map on file in this office and as further described in the deed of Virginia S. Wright to Anco Corporation dated August 31, 1966, and recorded in Volume 994, Page 472, Merrimack County Records; and it is

FURTHER ORDERED, that as a condition of this order, Meeting House Brook Estates Water Company shall file with this Commission, within ninety (90) days of the date of

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this order, all necessary data required by this Commission, which shall include the following: (1) a balance sheet as of the date of this order, (2) a summary of fixed assets and related depreciation, (3) a pro-forma income statement, (4) a tariff setting forth the rates and terms and conditions, and (5) a waiver of right to serve this area by the Pembroke Water Department.

By order of the Public Utilities Commission of New Hampshire this fifth day of August, 1974.

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NH.PUC*08/07/74*[77354]*59 NH PUC 247*Gas Service, Inc.

[Go to End of 77354]

Re Gas Service, Inc.

DR 74-127, Order No. 11,520

59 NH PUC 247

New Hampshire Public Utilities Commission

August 7, 1974

IMPLEMENTATION of a temporary purchased gas price adjustment.

RATES, § 303 — Purchased gas price adjustment clause — Economic factors.

[N.H.] Due to inflation, high interest rates and a low rate of return, a gas company was permitted to incorporate a purchased gas price adjustment on a temporary basis and subject to refund.

APPEARANCES: Charles H. Toll, Jr., for the petitioner.

BY THE COMMISSION:

Report

On May 28, 1974, Gas Service, Inc. (the Company), a public utility engaged in the business of supplying gas service in the state of New Hampshire, filed with this Commission Supplement Nos. 11 (Nashua Division) and 12 (Laconia Division) to its tariff, N.H.P.U.C. No. 4 — Gas, providing for temporary purchased gas price adjustments effective July 1, 1974.

By Order No. 11,465, dated June 18, 1974 this Commission suspended the effective date thereof pending investigation and decision thereon.

Pursuant to published notice, a hearing was held on July 18, 1974, at the office of the Commission. The Company submitted testimony and other evidence showing that the rate of return presently being realized was not in excess of a fair rate. Additionally, the Company indicated the probability that their rate of return, not considering the Federal Power Commission allowed increase in the price of natural gas, would be declining in coming months. Inflation, interest rates and the inability to obtain increased volumes of natural gas were presented as the major causes for a declining rate of return.

We find that the temporary gas price adjustment, as submitted by the Company, will serve to offset the increased purchased gas costs already being incurred and is necessary for such purpose, and that this tariff will not increase the Company's rate of return. The consumer is protected by clauses in the tariff providing for refunds and adjustments to the Company's

customers for any changes made by decision of the Federal Power Commission, and for over or under collection of the actual increases. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

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ORDERED, that Supplement Nos. 11 (Nashua Division) and 12 (Laconia Division) of Gas Service, Inc. tariff N.H.P.U.C. No. 4 — Gas, providing for temporary purchased gas price adjustment effective July 1, 1974 is hereby rejected; and it is

FURTHER ORDERED, that revised Supplements 14 and 15 carrying the caption issued in lieu of Supplement Nos. 11 (Nashua Division) and 12 (Laconia Division) of Gas Service, Inc. tariff, N.H.P.U.C. No. 4 — Gas, providing for temporary purchased gas price adjustment of \$.0042 per therm for the Nashua Division and \$.0043 per therm for the Laconia Division effective August 1, 1974 be filed with this Commission; and it is

FURTHER ORDERED, that Gas Service, Inc. give public notice of the temporary gas price adjustment by publishing a copy of this order upon receipt in newspapers having general circulation in the territories served by said Company.

By order of the Public Utilities Commission of New Hampshire this seventh day of August, 1974.

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NH.PUC*08/07/74*[77355]*59 NH PUC 248*Concord Natural Gas Corporation

[Go to End of 77355]

Re Concord Natural Gas Corporation

D-R6388, Order No. 11,521

59 NH PUC 248

New Hampshire Public Utilities Commission

August 7, 1974

ORDER authorizing a temporary purchased gas price adjustment.

RATES, § 303 — Purchased gas price adjustment clause — Economic factors.

[N.H.] Due to inflation, high interest rates and curtailed supplies, a gas company was authorized to implement a purchased gas price adjustment on a temporary basis and subject to refund.

APPEARANCES: Charles H. Toll, Jr., for the petitioner.

BY THE COMMISSION:

Report

On May 29, 1974, Concord Natural Gas Corporation (the "Company"), a public utility engaged in the business of supplying gas service in the State of New Hampshire, filed with this Commission Second Revised Page 2 of Supplement No. 2 to its tariff, N.H.P.U.C. No. 13 — Gas, providing for a temporary gas price adjustment effective July 1, 1974.

By Order No. 11,464 dated June 18, 1974, this Commission suspended the effective date thereof pending investigation and decision thereon.

Pursuant to published notice, a hearing was held on July 18, 1974 at the offices of the Commission. The Company submitted testimony and other evidence showing that the rate of return presently being realized was not in excess of a fair rate. Additionally, the Company indicated the probability that their rate of return, not considering the Federal Power Commission allowed increase in the price of natural gas, would be declining in coming months. Inflation, interest rates and the inability to obtain increased volumes of natural gas were presented as the major causes for a declining rate of return.

We find that the temporary gas price adjustment, as submitted by the Company, will serve to offset the increased purchased gas costs already being incurred and is necessary for such purpose, and that this tariff will not

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increase the Company's rate of return. The consumer is protected by clauses in the tariff providing for refunds and adjustments to the Company's customers for any changes made by decision of the Federal Power Commission, and for over or under collection of the actual increases. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Second Revised Page 2 of Supplement No. 2 of Concord Natural Gas Corporation's tariff, N.H.P.U.C. No. 13 — Gas, providing for a temporary gas price adjustment effective July 1, 1974 is hereby rejected; and it is

FURTHER ORDERED, that Third Revised Page 2 carrying the caption issued in lieu of Second Revised Page 2 of Supplement No. 2 of Concord Natural Gas Corporation's tariff, N.H.P.U.C. No. 13 — Gas, providing for a temporary gas price adjustment of \$.0266 per therm effective August 1, 1974 be filed with this Commission; and it is

FURTHER ORDERED, that Concord Natural Gas Corporation give public notice of the temporary gas price adjustment by publishing a copy of this order upon receipt in newspapers having general circulation in the territories served by said Company.

By order of the Public Utilities Commission of New Hampshire this seventh day of August, 1974.

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NH.PUC*08/08/74*[77356]*59 NH PUC 249*Public Service Company of New Hampshire

[Go to End of 77356]

Re Public Service Company of New Hampshire

DF 74-141, Order No. 11,522

59 NH PUC 249

New Hampshire Public Utilities Commission

August 8, 1974

APPLICATION by an electric company for authority to increase its preferred stock; granted.

SECURITY ISSUES, § 96 — Preferred stock — Increase — Financing.

[N.H.] Finding an electric company's authorized but unissued shares of preferred stock to be inadequate for contemplated financing, the commission allowed the company to increase its shares.

BY THE COMMISSION:

Order

WHEREAS, the Public Service Company of New Hampshire, a corporation duly organized under the laws of this State and operating therein as an electric utility under the jurisdiction of this Commission, by petition filed July 11, 1974 seeks authority to increase its authorized Preferred Stock, one hundred dollars (\$100) par value, from six hundred thousand (600,000) shares to nine hundred thousand (900,000) shares as approved by the Preferred and the Common Stockholders at the Annual Meeting held on May 9, 1974; and

WHEREAS, the Company represents that it has under consideration the possibility of issuing, if market and other conditions are suitable, an as yet undetermined number of additional shares of Preferred Stock; and

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WHEREAS, the Company further represents that the amount of presently authorized, but unissued, preferred stock is inadequate to permit the contemplated financing; and

WHEREAS, certain limitations on the issue of additional preferred stock in the Company's Articles of Agreement must be observed, which the Company herein has undertaken to comply with and no authorization for the actual issue of such stock is herein sought; it is

ORDERED, that the Public Service Company of New Hampshire be, and hereby is, authorized to increase its authorized preferred stock, one hundred dollars (\$100) par value, now established at six hundred thousand (600,000) shares by its Articles of Agreement to nine hundred thousand (900,000) shares, as approved by the certified votes of the Preferred and Common Stockholders filed with this Commission on July 11, 1974.

By order of the Public Utilities Commission of New Hampshire this eighth day of August, 1974.

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NH.PUC*08/09/74*[77357]*59 NH PUC 250*Granite State Electric Company

[Go to End of 77357]

Re Granite State Electric Company

DR 74-6, Order No. 11,525

59 NH PUC 250

New Hampshire Public Utilities Commission

August 9, 1974

PETITION by an electric company for an increase in rates; granted as modified.

1. APPORTIONMENT, § 21 — Purchased power costs — Uniformity.

[N.H.] Although passing through increased purchased power costs to customers on a kilowatt-hour basis meant large volume users were bearing a greater percentage of the costs, the commission found the rate classes equitable when compared to other utilities' rate practices. p. 252.

2. RATES, § 303 — Fuel clauses — Wholesale increases — Federal control.

[N.H.] Because fuel clause increases are controlled by the Federal Power Commission, which allowed a supplier's rates to increase, the commission allowed an electric company a corresponding increase. p. 252.

3. RETURN, § 26.5 — Consolidated capital structure — Subsidiary earnings.

[N.H.] Although a parent company's consolidated net income had reached a record high the previous year, there was no evidence that the subsidiary in question had overcontributed to that consolidated income since the subsidiary's reduced and omitted dividends clearly showed inadequate earnings. p. 252.

4. RATES, § 125 — Reasonableness — Ability to pay — Inflation.

[N.H.] To refuse adequate rates to a utility suffering from a very low rate of return merely because of the extra burden on customers during inflationary times would only serve to ensure

financial insolvency, and the customer would then have to bear even higher costs. p. 253.

5. RETURN, § 19 — Reasonableness — Opportunity versus guarantee.

[N.H.] An authorized rate of return merely allows a company an opportunity to earn that level; it is not a guarantee of earnings. p. 253.

6. COMMISSIONS, § 49 — Jurisdiction and powers — Counsel — Expert witnesses.

[N.H.] The commission refused to appoint an attorney for the consumers or to hire expert witnesses where the commission felt that its own expertise was adequate for the case and that consumers should not have to pay for such unnecessary expenses. p. 254.

7. RETURN, § 26.4 — Cost of common equity — National economy.

[N.H.] Based upon capital markets and rates of return, the parent company's equity capitalization, and the general state of the electric utility industry, the

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commission established a company's cost of capital at a substantially lower rate than that requested. p. 254.

8. VALUATION, § 296 — Rate base — Working capital — Expenses.

[N.H.] The commission reduced a company's rate base where the submitted figures were overstated with relation to purchased power costs and promotional expenses. p. 255.

9. RATES, § 120.1 — Test period — Pro forma adjustments.

[N.H.] A pro forma adjustment to the test-year for wage increases was disallowed since the commission's position is that such out-of-period adjustments distort the purpose of the test-year figures. p. 255.

APPEARANCES: for the petitioner, Philip H. R. Cahill, and Richard B. Couser, for LISTEN, Bruce Viles, Representative Henry J. Seaman, Sr., pro se; Bernadette Tilton, pro se; Selectman Bert Ford of Salem, pro se; Town Manager William Kelley of Salem, pro se; Walter Stickney, Selectman, pro se; Representative Ester Roy, pro se; Representative Laurence Belair, pro se; Representative James Schaufenbill; Representative Betty Goff; James Lufkin, Charlestown, pro se; Bernard Yokich, pro se; Robert DeCoteau; and Representative David Alan Rock by letter.

BY THE COMMISSION:

Report

These proceedings were initiated on December 29, 1973, when Granite State Electric Company (hereinafter sometimes referred to as the "Company"), a public utility engaged in the business of supplying electric service in limited areas of this State filed with this Commission its Tariff, N.H.P.U.C. No. 7 — Electricity, providing for an increase in annual gross revenues of approximately \$1,094,000, effective February 1, 1974 (later, at the hearings, increased to \$1,125,000).

On January 22, 1974, we suspended the proposed tariff, pending investigation and decision.

A duly noticed hearing was held at the office of the Commission on March 22, 1974, which was continued to a date to be fixed. A duly noticed continued hearing was held at the office of the Commission on June 11, 1974.

At the hearings the Company submitted testimony and other evidence alleging the need for increased rates in an amount at least equal to that proposed by their Tariff No. 7.

The Company's evidence was based primarily upon data for their fiscal year, the year ended December 31, 1973, with some reference to current, 1974, operating statistics and present economic and money market conditions.

The evidence showed that the Company had not had a general rate increase since 1957; in fact, there had been two rate reductions, in 1966 and 1967, and minor reductions in other years. Recent trends in the economy of this Country, primarily inflation and interest rates, and recent trends in the electric utility industry have reversed the earnings levels in relation to investment and the previously existing favorable trends with their favorable impact on the consumer and the Company. The Company's earnings for the past three years have been below its cost of capital. The deterioration in the Company's earnings has continued into 1974.

The forces causing this financial deterioration are broad ones and are substantially beyond the control of any one company. We are satisfied that the Company and its affiliated suppliers of power and other services have made substantial economy moves to partially alleviate economic forces beyond its control. These economy moves include important reductions in construction budgets.

While significant savings from these economy moves have been made in the short-term, many of these moves represent deferrals of expenditures which will have to be made in the longer-term to maintain adequate electric service. This Commission will continue to monitor the Company's financial operations and its cost reduction programs.

We have made an extensive investigation of the evidence submitted in this case. We continuously review the financial operations of utilities subject to our jurisdiction; we attempt to keep abreast of economic forces in general and as specifically affecting utilities, both nationally and regionally we follow the trends and changes in the capital markets to

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which utilities and others must turn to obtain the requisite financing. We find that the Company is entitled to increased rates in order to have the opportunity to earn a fair rate of return. Where we differ with the Company is in certain aspects of rate base computations, cost of capital and test year adjustments. These differences will be commented on in this report.

At issue in this petition, and currently an increasingly important and controversial area throughout this nation is the proposed rate structure. The proposed, and existing, rate structure was questioned by some who made appearances in these proceedings. The Commission staff cross-examined the Company's witnesses in detail as to the lowest rate (tail block) of the proposed rate structure. The staff requested at the hearings and later reviewed and discussed with

the Company further data on costs and margins of the larger volume users in relation to other rate blocks.

[1] The Company has recognized that changed economic conditions and a slow-down in technological development have altered the cost structure of electric service. In its last two rate cases, involving increased purchased power costs allowed its supplier by the Federal Power Commission, the Company had proposed and had been allowed by this Commission to pass through the increased power costs on a kilowatt-hour basis. The effect of assessing increases on a kilowatt hour basis upon the Company's rate blocks has been to assess greater percentage increases on the large volume user as compared with the lower volume user.

We are satisfied that the Company has attempted to assess increases on a fair basis among the classes of service. We are satisfied that the rate classes are equitable when related to comparable electric utilities in this region of the Country. The analysis of cost and value of service of any one electric utility is expensive, time consuming and complex. This Commission is presently studying in depth the rate structure proposed by an electric utility under our jurisdiction. We intend, over a period of months, to extend our detailed analysis to cover this Company and other electric utilities subject to our jurisdiction. The issue of rate structures is not closed for this Company, nor for any other utility in this State.

Two issues were raised in connection with rates which the Company agreed to research.

The Company has agreed and the work is in process to simplify the notation on the bill relating to the fuel surcharge.

Special metering devices were installed to study the use pattern of water heating customers in trailer parks versus other residential areas. No results were obtained which would allow any special or different treatment for mobile home water heating customers.

Representative David Alan Rock raised objections to the Company's proposed rate increase and recommended that, if any increase were to be granted the amount of the increase should be substantially below the total requested. The major points leading to Representative Rock's objections were: the allowance of a fuel clause and a purchased power clause; the financial status of the Company's parent, New England Electric System; the possibility that excess profits were being taken from the New Hampshire Company by the parent company; and the substantial growth of the Company's service area with its resulting economic benefits of density and absorption of costs.

[2] The fuel clause and the purchased power increases are subject to the jurisdiction of the Federal Power Commission. The Company must pay these added costs to its supplier; our jurisdiction applies only to the allowance of and the extent of any allowance of inclusion of these increased costs in rates charged by the Company to its customers. We are satisfied that the Company must be allowed these costs in its rates at this time.

[3] New England Electric System, the parent of the Company, had record high consolidated net income for the year 1973 in absolute dollar terms, however income before extraordinary items in 1973 was lower than 1972. On a per share basis 1973 earnings were below 1972 and the return on average common equity for 1973 was substantially below the return for 1972, reflecting the substantial new capital requirements of NEES. For the six months ended June 30, 1974, the earnings of NEES have deteriorated even more sharply, down 30% from the

corresponding period ended June 30, 1973.

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The significant point raised by Representative Rock concerning the Company's relation with its parent, NEES, is the earnings rate of Granite State Electric Company, and the subsidiary question as to amounts withdrawn from the Company by its parent. The earnings rate of the Company is an integral part of this report and was covered in detail in our investigation of the rate filing. The Company's earnings contribution to the consolidated income, before extraordinary items, of NEES and the related common equity investment in the Company compared to the consolidated common equity of NEES at December 31, 1973 is illustrated as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

1973

Common Share Eq-
uity
Net Income

In 1973 the Company paid \$252,000 dividends on its common stock to NEES, a reduction of some 4.4% from the prior year, 1972. The 1973 dividends paid to the parent equaled 4.4% of its year end common equity investment. In the first two quarters of 1974 the Company omitted dividends on its common stock, while the parent invested \$1,000,000 of cash in additional common equity required to finance the Company's operations and construction. The reduced dividends in 1973 and the omission of dividends in 1974 resulted from the inadequate earnings levels of the Company.

System growth, increasing density and incremental volume factors have changed materially for this Company and for the electric utility industry generally. We have considered these elements in our investigation and further comments are made on these points in this report.

New Hampshire Legal Assistance, on behalf of LISTEN, in opposition to the Company's proposed rate increase, filed a memorandum with this Commission.

[4] LISTEN opposes the granting of any increase on the general grounds of the inflationary times and the burden on the consumer. We sympathize with their argument. Our duty as directed by the New Hampshire statutes and court decisions is to find just and reasonable rate levels. To attempt to decide a rate case, denying any rate increase solely on the basis that the consumer cannot afford further costs due to the total economic environment in this Country (and elsewhere) would not even in the short run be beneficial to the consumer. To refuse adequate rates to a utility whose rate of return is materially below its cost of capital for a substantial period of time would be to ensure financial insolvency, with an eventual higher cost to be paid for by the consumer.

LISTEN raises the question of peak level requirements and capacity additions to meet growth. We are satisfied that the electric utility industry in this State has made substantial efforts

to encourage more efficient usage and these efforts are continuing. For some months now the records indicate that usage has declined and that energy conservation programs plus economically induced conservation have had a material affect on consumer usage. New Hampshire is a growing area and the utility industry must continue to plan for and construct facilities to provide adequate service to their franchised areas. The Company and its power supplier have made substantial cuts in their construction budgets, but many of these reductions represent deferrals and will necessitate increased expenditures in future years.

LISTEN raises questions on the Company's rate structure. We have already dealt with this issue in this Report. The issue of equity cost of capital and cash working capital will be dealt with in other paragraphs in this Report.

[5] LISTEN argues that the Company somehow has or will be "guaranteed a rate of return". This is a common misconception of the regulatory process and of the economics

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of utility operations. Certainly recent months have made it painfully clear to utility investors and managements throughout this Country that their profits are not guaranteed. We are required to set rates at a level estimated to provide the utility with an opportunity to earn a just and reasonable rate of return. Whether in fact this rate of return will be earned will be determined in the future partly by economic factors substantially beyond the control of the utility and partly by management's abilities and decisions. In a situation such as this proceeding the utility must suffer inadequate earnings due to the time required to prepare new filings and the time lag in reaching a final decision.

[6] LISTEN asks the Commission to appoint an attorney to represent the consumer. The implicit assumption is that this Commission and its staff are not capable of matching the expertise available to the Company. We are charged with the duty to reach a decision fair both to the consumer and to the Company. We have the power to employ special counsel and other outside experts to assist the Commission. We have used this power and will continue to utilize outside experts to supplement our staff when in our judgement such a need is present.

The cost of a rate case is in the final analysis borne by the consumer. We do not believe that outside experts are required in these proceedings.

This Company has had a record of very open dealings with this Commission. The Company has always promptly furnished our staff with requested data, has assisted our staff in many technical aspects of electric utility operations and has generally been very willing to accept our suggestions and to reach reasonable compromise. The filings by the Company and their posture throughout these proceedings have shown the same above board approach. No outside "expert witnesses" were used by the Company, the cost of which would have to be borne by the consumer. Rather, the Company relied upon its own executives, and those of its affiliates, using their expertise to present the case. While we disagree with certain aspects of their presentation (as discussed in this Report), in our opinion the Company in general presented a fair and reasonable request for increased rates.

I Rate of Return

[7] The Company submitted a capital structure at December 31, 1973 of approximately 60% debt and 40% equity, a range informally agreed upon in the past and over a period of years with the Commission staff. This capitalization ratio does not reflect the sale of \$1,000,000 additional common equity in March of 1974. Currently the debt is entirely short-term. At the proper time the Company plans to finance this debt with long-term bonds, and accordingly submitted a cost rate of its debt of 9.5%.

The testimony and other evidence on cost of capital was prepared for submission in March, 1974 when the prime bank loan rate was at 8 3/4%. Since that date interest rates have increased to record levels for this Country, with the prime bank loan rate reaching 12% by July, 1974. The Company, in assessing a cost rate to its debt, related interest costs to bonds with a rating of Baa (Moody's). By the time of the reconvened hearing this rate had increased materially and, since the June hearing, Baa bonds have been almost non-marketable. While the chaotic condition of the capital markets may lessen soon, the era of high interest rates will, unfortunately, be with us for a substantial period of time.

Cost of common equity is not susceptible of exact, mathematical determination; while formulas and statistics are very necessary, the answer must be obtained by informed and considered judgement. The Company submitted a cost of common equity of 13 1/2%. Testimony and other evidence was submitted attempting to support their conclusion. Our analysis of the extensive data submitted by the Company and also, based upon our continuing studies of the capital markets and rates of return, in general, and in particular for the electric utility industry leads us to the conclusion that the Company's cost of common equity is below 13 1/2%. In reaching this conclusion we have considered the equity capitalization of NEES and of the electric utility industry in general as compared to this Company.

We find that the cost of capital for this Company is 11.1%. We also find that a fair

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rate of return is 11.3% and that this return should enable the Company to attract capital and assure confidence and stability in the financial status of the utility.

II Rate Base

[8] The Company submitted an average rate base of \$14,465,000. We disagree with the Company's submission on three points.

Using a formula, which when properly applied may at times result in an approximation of working capital requirements, without entailing expensive and time consuming studies of lags in payments and receipts, the Company arrived at a total requirement of \$1,978,000. The formula used is a modification of one used by the FPC, primarily for showing comparability in their annual publication of electric utility statistics. However, the Company did not follow the FPC formula as to purchased power costs, with the result that the submitted rate base is overstated. The Company also included unamortized sales promotion expenses as an item. We do not accept promotional costs, either as part of rate base or as an expense chargeable to the consumer. The Company had eliminated promotional activities in recognition of changed economic conditions and the need for energy conservation. To allow promotional costs as elements in the test year

would be to set rates for the future covering an expense which will not be incurred and which, if incurred, would not be allowed as a charge against the consumer under today's conditions.

We find that the rate base is \$13,579,000.

III Revenue Requirements

[9] The Company made pro forma adjustments to the test year, 1973 to reflect certain known changes. In "normal times" revenue growth and increased productivity may eliminate or will partially offset the need for making such adjustments to test year expenses. The year 1974, through May 31, shows a negative year to year comparison of KWH volume, sharply contrasting with an above 10% growth rate in KWH volume realized by the Company in recent years. Under prevailing circumstances we accept all but one of the pro forma adjustments.

We do not accept the Company's pro forma adjustment to 1973 for the wage increase to take effect on April 1, 1974. "Out of period" adjustments are rarely acceptable and tend to distort the purpose of the test year concept. This Commission will not generally accept adjustments such as this proposal. Accordingly, we have reduced test year expenses, as submitted by the Company, by \$49,000, before income taxes.

The revenue deficiency is computed as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

1973 Cost of Service, Adjusted (\$000)

1. Total Operation and Maintenance Expenses
2. Depreciation Expense
3. Taxes, other than Income Taxes
4. New Hampshire Franchise Tax
5. Federal Income Tax
6. Return on Rate Base
7. Cost of Service

1973 Electric Operating Revenues

8. Total Electric Operating Revenues
9. Revenue Normalizing Adjustment
10. Total Electric Operating Revenues, Adjusted
11. Revenue Deficiency (Line 7 less Line 10)

We find that the Company is entitled to increased rates in an amount approximating \$904,000 on an annual basis. The Company must file a new tariff, reflecting this allowed increase, reducing the residential rates, as filed in their proposed tariff in an amount to approximate the overall increase granted by this report.

Our order will issue accordingly.

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Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that the tariff, N.H.P.U.C. No. 7 — Electricity as filed by Granite State Electric Company to become effective February 1, 1974, be, and hereby is, rejected; and it is

FURTHER ORDERED, that Granite State Electric Company file a new tariff in compliance with this report designed to produce an increase in annual gross revenues of approximately nine hundred four thousand dollars (\$904,000), effective for all current billings rendered on or after the date of this order; and it is

FURTHER ORDERED, that Granite State Electric Company give public notice of these new rates by publishing the same once upon receipt of this order in newspapers having general circulation in the territory served by said company.

By order of the Public Utilities Commission of New Hampshire this ninth day of August, 1974.

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NH.PUC*08/16/74*[77358]*59 NH PUC 256*Public Service Company of New Hampshire

[Go to End of 77358]

Re Public Service Company of New Hampshire

D-F5920, Supplemental Order No. 11,527

59 NH PUC 256

New Hampshire Public Utilities Commission

August 16, 1974

EXPANSION of an exemption allowing a utility to issue and renew certain notes without prior commission approval.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Public Service Company of New Hampshire, a New Hampshire Corporation, operating as a public utility in various Towns and Cities in this State, under the jurisdiction of this Commission, by Supplemental Order No. 11,424 dated May 20, 1974 (59 NH PUC 209), was granted an exception to the terms of Supplemental Order No. 7446, permitting it, from time to time, to issue and renew, for cash, its Note, or Notes, in an aggregate principal amount not exceeding fifty million dollars (\$50,000,000); and

WHEREAS, the Company, by petition filed on August 9, 1974, seeks authority to increase the exemption in Order No. 7446 to an amount not in excess of sixty-five million dollars (\$65,000,000) at any one time outstanding (not including any Short-term Notes to be retired with the proceeds of any such issue or renewal), including interest on bank borrowings at the prime rate or a rate or rates based on the prime rate; and

WHEREAS, upon investigation given by the Commission of supporting data filed with the

petition, this Commission finds that the proposed financing upon the terms set forth in the petition, is in the public interest; it is

ORDERED, that the Public Service Company of New Hampshire, be, and hereby is, authorized to issue and sell, and from time to time renew, for cash, its Note or Notes, in an aggregate principal amount not exceeding sixty-five million dollars (\$65,000,000) at any one time outstanding (not including any Short-term Notes to be retired with the proceeds of any such issue or renewal); and it is

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FURTHER ORDERED, that interest on bank borrowings will be at the prime rate or a rate or rates based on the prime rate; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire first obtain approval of this Commission before incurring Short-term indebtedness in excess of the amount allowed by the terms of Supplemental Order No. 7446 of this Commission after January 1, 1975; and it is

FURTHER ORDERED, that on or before January first and July first in each year, Public Service Company of New Hampshire shall file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of the proceeds of the Notes herein authorized until the expenditures of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of August, 1974.

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NH.PUC*08/26/74*[77359]*59 NH PUC 257*Southern New Hampshire Gas Company, Inc.

[Go to End of 77359]

Re Southern New Hampshire Gas Company, Inc.

DR 74-145, Order No. 11,531

59 NH PUC 257

New Hampshire Public Utilities Commission

August 26, 1974

PETITION for a purchased gas price adjustment; granted as modified.

RATES, § 303 — Purchased gas price adjustment — Basis — Actual sales figures.

[N.H.] The commission ordered a gas company to base its purchased gas price adjustment on actual sales figures from the previous month rather than estimated figures of the current month to ensure more precise calculations.

APPEARANCES: Louis Soule and Norman Mason for the petitioner.

BY THE COMMISSION:

Report

On April 16, 1974, Southern New Hampshire Gas Company, Inc. (the Company), public utility engaged in the business of supplying gas service in the state of New Hampshire, filed with this Commission First Revised Pages 16 and 17 of its tariff, N.H.P.U.C. No 1 — Gas, providing for an increase in basic gas rates of \$134,504, and Original Pages 15A and 15B of that tariff providing for a purchased gas price adjustment, both to become effective May 16, 1974.

By Order No. 11,404, dated May 7, 1974, this Commission suspended the effective date thereof pending investigation and decision thereon.

Pursuant to published notice, a hearing was held on August 7, 1974, at the office of the Commission.

The Company presented exhibits and testimony that together with data on file with this Commission indicate, that under existing rates, they have been incurring and will continue to incur substantial losses. Existing rates are based on a cost of propane of 15.24¢ per gallon and the Company is presently paying approximately 27¢ per gallon. The new rate schedule is based on a cost of propane of 25¢ per gallon, and the purchased

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gas price adjustment is designed to pass on to customers price changes above or below 25¢ per gallon. The Company proposes to include on each month's bill an incremental price adjustment based on actual propane costs above or below the base price in the previous month and upon estimated gas sales during the current month. Adjustments in subsequent bills would rectify variations in estimated versus actual sales.

At the hearing the Company amended its petition and asked for a rate increase of \$103,435 on an annual basis, reduced from its original filing of \$134,504. The Company's amended filing is estimated to result in a rate of return below its cost of capital. In order to remain competitive with oil and other forms of energy, the Company is willing to accept this rate of return at this time. Operating with propane is believed to be a temporary situation inasmuch as the Company's plans were predicated on the availability of natural gas which right now is in short supply.

The Commission finds that the revised increase in basic rates, \$103,435 on an annual basis, should be allowed.

The petition for the purchased gas price adjustment is denied in its present format. At the hearing the staff questioned the desirability of using estimates in computing monthly purchased price adjustments and the Company indicated that alternate methods could be considered.

The Commission finds that the Company should use actual sales figures of the previous month instead of estimated figures of the current month in determining the monthly price adjustments, thereby assuring a more simple and equally precise practice, and one which will

conform to that currently used by other New Hampshire utility companies having similar purchased price adjustments. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that tariff pages numbered First Revised Page 16 and First Revised Page 17 providing for an increase of \$103,435 may become effective with the date of this order; and it is

FURTHER ORDERED, that First Revised Pages 15A and 15B providing for a fuel surcharge adjustment, and carrying the notation "Issued in lieu of Original Page 15A" and "Issued in lieu of Original Page 15B" be filed carrying out the intent of this report, to be effective with the date of this order; and it is

FURTHER ORDERED, that Southern New Hampshire Gas Company give public notice of the changes reflected in those new tariff pages by a one-time publication in a newspaper having general circulation in the territory served by the Company.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of August, 1974.

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NH.PUC*08/26/74*[77360]*59 NH PUC 258*Northern Utilities, Inc.

[Go to End of 77360]

Re Northern Utilities, Inc.

I-R14,274, Order No. 11,532

59 NH PUC 258

New Hampshire Public Utilities Commission

August 26, 1974

APPROVAL of a special rate contract between a gas company and a private corporation.

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BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc. a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 22 with G.T.E. Sylvania, Inc. effective August 1, 1974 for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just

and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of August, 1974.

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NH.PUC*08/26/74*[77361]*59 NH PUC 259*Northern Utilities, Inc.

[Go to End of 77361]

Re Northern Utilities, Inc.

I-R14,275, Order No. 11,533

59 NH PUC 259

New Hampshire Public Utilities Commission

August 26, 1974

ACCEPTANCE of a special rate contract between a gas company and a division of a food processing corporation.

BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc. a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 23 with Booth Fisheries Division, Consolidated Foods Corporation, effective August 1, 1974, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of August, 1974.

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NH.PUC*08/26/74*[77362]*59 NH PUC 260*New England Telephone and Telegraph Company

[Go to End of 77362]

Re New England Telephone and Telegraph Company

DF 74-113, Order No. 11,534

59 NH PUC 260

New Hampshire Public Utilities Commission

August 26, 1974

PETITION by a telephone company for authority to issue common stock; granted.

Security Issues, § 96 — Common stock — Holders of record — Purposes.

[N.H.] A telephone company was authorized to issue additional shares of common stock to its stockholders of record with the proceeds to be used for meeting short-term debts.

APPEARANCES: Peter Guenther for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed June 21, 1974, New England Telephone and Telegraph Company seeks authority, pursuant to RSA 369, insofar as the proceeds of same pertain to property or expenditures of said Company in this State, to issue and sell six million five hundred twenty-six thousand four hundred forty (6,526,440) shares of its Common Capital Stock to its stockholders, pro rata, in accordance with their respective holdings of record, on the basis of one share for each seven shares of Capital Stock held on the record date, at a price to be determined by its Board of Directors or its Executive Committee on or about September 26, 1974.

At the hearing on the petition held, following due notice, in Concord on August 7, 1974, the petitioner submitted that it is a corporation duly organized under the laws of the State of New York, engaged in the telephone and telegraph business in and between the States of Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, and, by means of interconnection, with the facilities of other telephone companies, furnishing telephone service between said states, and other places outside thereof. It has been operating as a telephone public utility throughout New Hampshire prior to, on, and since June 1, 1911. Petitioner is duly qualified under the statutes of this State; is presently authorized to do business therein; and in respect to such operations is subject to the jurisdiction of this Commission.

Pursuant to Resolutions of its Board of Directors, certified copies of which were filed herein, the company proposes to issue the securities referred to above.

The outstanding securities of the petitioner, as of April 30, 1974, were as follows:

1. Amount and kind of stock outstanding.

Common — 45,685,080 shares Preferred — None

2. Terms of preference of Preferred Stock — None (see above)

3. Amount of funded debt outstanding and data pertaining thereto.

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[Graphic(s) below may extend beyond size of screen or contain distortions.]

	Amount Thousands	InDate Of Issue	Date Of Maturity	Date Of Callable	
First Mortgage 2 3/4% Bonds Series D	\$ 20,000*	2-1-45	2-1-75		Any interest date on 60 days notice
Thirty-Five Year 3% Debentures	40,000	10-1-47	10-1-82		30 days notice
Twenty-Five Year 3 1/4% Debentures	20,000	12-15-52	12-15-77		30 days notice
Thirty-Four year 3 1/8% Debentures	30,000	12-15-54	12-15-88		30 days notice
Thirty-Six Year 3 1/4% Debentures	30,000	11-15-55	11-15-91		30 days notice
Thirty-Five Year 4% Debentures	45,000	4-1-58	4-1-93		30 days notice
Thirty-Eight Year 4 5/8% Debentures	45,000	4-1-61	4-1-99		30 days notice
Forty Year 4 1/2% Debentures	50,000	7-1-62	7-1-02		30 days notice
Forty Year 4 5/8% Debentures	60,000	7-1-65	7-1-05		30 days notice
Thirty-Nine Year 6 1/8% Debentures	100,000	10-1-67	10-1-06		30 days notice
Forty Year 6 3/8% Debentures	125,000	9-1-68	9-1-08		30 days notice
Thirty-Nine Year 8 5/8% Debentures	175,000	9-1-70	9-1-09		On or after 9/1/75 on 30 days notice
Thirty-Three Year 8.2% Debentures	200,000	6-1-71	6-1-04		On or after 6/1/76 on 30 days notice
Seven Year 6 1/2% Notes	100,000	3-15-72	3-15-79		On or after 3/15/77 on 30 days notice
Thirty-Five Year 7 3/8% Debentures	200,000	10-15-72	10-15-07		On or after 10/15/77 on 30 days notice
Thirty Year 8% Debentures	170,000	11-15-73	11-15-03		On or after 11/15/78 on 30 days notice
Seven Year 7% direct reduction notes	3,314	various	7 years		After one year, upon 90 days notice
TOTAL FUNDED DEBT	\$1,413,314				

Security for First Mortgage Bonds.

Any and all real estate and all telephone plant and equipment, franchises, etc., and any and all interests therein, appertaining to or useful in the transaction of the Telephone Company's business which it now owns or which it may hereafter acquire in the States of Maine, New Hampshire, Massachusetts and Rhode Island. And all tolls, income, rents, issues, profits, benefits and advantages to be derived, received or had, of and from the property mortgaged or pledged or intended so to be and from any and all interest therein which the Telephone Company now owns or which it may hereafter acquire in the above mentioned states.

To be refinanced through the issuance of additional interim debt.

In addition to the above, the petitioner, as of April 30, 1974, had outstanding unsecured Short Term Obligations aggregating the sum of one hundred twelve million dollars (\$112,000,000), which obligations are held by the petitioner's affiliate, American Telephone and Telegraph Company, various banks and other investors.

Under its re-stated Certificate of Incorporation, as amended, the petitioner's authorized

Capital Stock is one billion two hundred million dollars (\$1,200,000,000), consisting of sixty million (60,000,000) shares of the par value of twenty dollars (\$20) per share, of which there are issued and presently outstanding forty five million six hundred eighty five thousand eighty (45,685,080) shares of the aggregate par value of nine hundred thirteen million seven hundred one thousand six hundred dollars (\$913,701,600). The Company proposes to offer to its stockholders for subscription for cash, at a price to be

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determined by the Board of Directors, or the Executive Committee, on or about September 26, 1974, pro rata, in accordance with their respective holdings of record, on the basis of one share for each seven shares held on the record date, six million five hundred twenty six thousand four hundred forty (6,526,440) shares of Common Capital Stock.

The following Pro-Forma Balance Sheet, before and after the completion of the financing proposed herein, was submitted to be as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

October 31, 1974 (Estimated)

ASSETS:

Telephone plant in service
Telephone plant under construction
Property held for future telephone use

Total Telephone Plant
Less Depreciation and Amortization Reserves

Total Telephone Plant less reserves
Miscellaneous physical property
Current assets
Pre-paid accounts and deferred charges

TOTAL ASSETS

LIABILITIES:

Current and Accrued Liabilities
Deferred Credits

Total current and accrued liabilities and deferred credits

Capital Stock
Premium on capital stock
Funded Debt
Temporary Obligations
Other Long-Term Debt

Total Capital Obligations and Premium
Retained Earnings

TOTAL LIABILITIES

NET INVESTMENT

TOTAL CAPITAL OBLIG., PREM. & RETAINED
EARNINGS

Figures will be filled in on a Revised Exhibit 5 to be filed at a later date.

It is to be noted that the items in the Pro-Forma Balance Sheet, which depend upon the price at which the Stock is to be issued, are blank. The Company plans to submit an amended Balance Sheet on or about September 26, 1974, which will reflect the price at which the new shares will be sold.

The Company submits that the proceeds from the sale of the Capital Stock will be applied toward the discharge of the outstanding Short Term Obligations of the Company incurred for general corporate purposes, including extensions, additions and improvements to its telephone plant, and to reimburse the Company's treasury for monies expended for such corporate purposes; the balance, if any, of such proceeds to be used for other lawful corporate purposes. It is estimated that, except to the extent that they are reduced by repayment from the proceeds of the Capital Stock, the amount of outstanding Short Term Obligations will be increased to approximately two hundred thirty four million six hundred thousand dollars (\$234,600,000) by October 31, 1974.

Upon consideration of the evidence submitted, this Commission is satisfied that the issuance and sale of the securities proposed herein will be consistent with the public

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good. Our order granting the authorization herein sought will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that New England Telephone and Telegraph Company be, and hereby is, authorized, insofar as the same pertains to property or expenditures in the state of New Hampshire, to issue and offer to its stockholders for subscription for cash, at a price to be determined by the Board of Directors, or the Executive Committee thereof, on or about September 26, 1974, pro rata, on the basis of one (1) share for each seven (7) shares held on the record date, in accordance with their respective holdings of record, six million five hundred twenty-six thousand four hundred forty (6,526,440) shares of its Common Capital Stock, said shares of stock to be issued and offered as aforesaid, in accordance with the Resolutions of the Board of Directors adopted May 21, 1974, as set out in Exhibit 2 of the Company's petition; and it is

FURTHER ORDERED, that New England Telephone and Telegraph Company shall submit to this Commission the price at which the stock will be issued, as determined by the Company's Board of Directors, or its Executive Committee, on or about September 26, 1974, following which submission a Supplemental Order will issue; and it is

FURTHER ORDERED, that the proceeds of the sale of said Common Capital Stock will be applied toward the discharge of the outstanding short term obligations of the Company incurred for general corporate purposes, including extensions, additions, and improvements to its telephone plant, and to reimburse the Company's treasury for monies expended for such corporate purposes; the balance, if any, of such proceeds to be used for other lawful corporate purposes; and it is

FURTHER ORDERED, that New England Telephone and Telegraph Company shall file with this Commission, as soon as reasonably practicable after the conclusion of the issue of the common stock herein authorized, a detailed statement, duly verified by an officer, showing the disposition of the proceeds of the stock authorized herein, and thereafter a similar statement as of January first and July first in each year, until the disposition of the whole of the proceeds thereof shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of August, 1974.

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NH.PUC*08/26/74*[77363]*59 NH PUC 263*New England Telephone and Telegraph Company

[Go to End of 77363]

Re New England Telephone and Telegraph Company

DF 74-114 Order No. 11,535

59 NH PUC 263

New Hampshire Public Utilities Commission

August 26, 1974

APPLICATION for license to issue debt securities; granted.

Security Issues, § 94 — Debt securities — Foreign corporation — Purposes.

[N.H.] A telephone company, incorporated in another state, was allowed to issue additional debt securities associated with property or expenditures in New Hampshire in order to pay off outstanding short-term obligations.

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APPEARANCES: Peter Guenther for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed June 21, 1974, New England Telephone and Telegraph Company seeks authority, pursuant to RSA 369, insofar as the proceeds of same pertain to property or expenditures of said Company in this state, to issue and sell its Debt Securities up to an aggregate principal amount of one hundred fifty million dollars (\$150,000,000).

At the hearing on the petition held, following due notice in Concord on August 7, 1974, the

petitioner submitted that it is a corporation duly organized under the laws of the State of New York, engaged in the telephone and telegraph business in and between the States of Maine, Massachusetts, New Hampshire, Rhode Island and Vermont, and, by means of inter-connection with the facilities of other telephone companies, furnishing telephone service between said states and other places outside thereof. It has been operating as a telephone public utility throughout New Hampshire prior to, on and since June 1, 1911. Petitioner is duly qualified under the statutes of this state; and is presently authorized to do business therein, and in respect to such operations, is subject to the jurisdiction of this Commission.

The authorization sought herein was filed pursuant to proper Resolutions of the Board of Directors, certified copies of which have been filed herein.

The petitioner proposes to issue and sell, either at competitive bidding or at a negotiated sale, up to an aggregate principal amount of one hundred fifty million dollars (\$150,000,000) of Debt Securities, the maturity date of which will be fixed by the Board of Directors on or about September 17, 1974. These will be sold either at public competitive bidding, in which case the sale price thereof, and interest rate thereon, will be specified in the purchase bid accepted by the Company, or they will be sold on negotiated terms of sale to a responsible buyer. The Debt Securities will be issued pursuant to the terms of an Indenture between New England Telephone and Telegraph Company and a Trustee to be selected and reported to this Commission. The form of Indenture under which the proposed Debt Securities are to be issued will be in substantially the form of the Indenture submitted as Exhibit 2 in these proceedings.

The outstanding securities of the petitioner, as of April 30, 1974, were as follows:

1. Amount and kind of stock outstanding.

Common — 45,685,080 shares Preferred — None

2. Terms of preference of Preferred Stock — None (see above).

3. Amount of funded debt outstanding and data pertaining thereto.

[Graphic(s) below may extend beyond size of screen or contain distortions.]

	<i>Amount in Thousands</i>	<i>Date Of Issue</i>	<i>Date Of Maturity</i>	<i>Date Of Callable</i>	
First Mortgage 2 3/4% Bonds, Series D	\$ 20,000*#	2-1-45	2-1-75		Any interest date on 60 days notice
Thirty-Five Year 3% Debentures	40,000	10-1-47	10-1-82		30 days notice
Twenty-five Year 3 1/4% Debentures	20,000	12-15-52	12-15-77		30 days notice

	<i>Amount in Thousands</i>	<i>Date Of Issue</i>	<i>Date Of Maturity</i>	<i>Date Of Callable</i>	
Thirty-Four Year 3 1/8% Debentures	30,000	12-15-54	12-15-88		30 days notice
Thirty-Six Year 3 1/4% Debentures	30,000	11-15-55	11-15-91		30 days notice
Thirty-Five Year 4% Debentures	45,000	4-1-58	4-1-93		30 days notice
Thirty-Eight year 4 5/8% Debentures	45,000	4-1-61	4-1-99		30 days notice
Forty year 4 1/2%					

Debentures Forty Year 4 5/8%	50,000	7-1-62	7-1-02	30 days notice
Debentures Thirty-Nine Year 6 1/8%	60,000	7-1-65	7-1-05	30 days notice
Debentures Forty year 6 3/8%	100,000	10-1-67	10-1-06	30 days notice
Debentures Thirty-Nine Year 8 5/8%	125,000	9-1-68	9-1-08	30 days notice
Debentures Thirty-Three Year 8.2%	175,000	9-1-70	9-1-09	On or after 9/1/75 on 30 days notice
Debentures Seven Year 6 1/2%	200,000	6-1-71	6-1-04	On or after 6/1/76 on 30 days notice
Notes	100,000	3-15-72	3-15-79	On or after 3/15/77 on 30 days notice
Debentures Thirty-Five Year 7 3/8%	200,000	10-15-72	10-15-07	On or after 10/15/77 on 30 days notice
Debentures Thirty Year 8%	170,000	11-15-73	11-15-03	On or after 11/15/78 on 30 days notice
Notes Seven Year 7% direct reduction notes	3,314	Various	7 years	After one year, upon 90 days notice
TOTAL FUNDED DEBT	\$1,413,314			

Security for First Mortgage Bonds.

Any and all real estate and all telephone plant and equipment, franchises, etc., and any and all interests therein, appertaining to or useful in the transaction of the Telephone Company's business which it now owns or which it may hereafter acquire in the States of Maine, New Hampshire, Massachusetts and Rhode Island. And all tolls, income, rents, issues, profits, benefits and advantages to be derived, received or had, of and from the property mortgaged or pledged or intended so to be and from any and all interest therein which the Telephone Company now owns or which it may hereafter acquire in the above mentioned states.

#To be refinanced through the issuance of additional interim debt.

As of April 30, 1974 the petitioner had outstanding unsecured Short Term Obligations in the aggregate amount of one hundred twelve million dollars (\$112,000,000), the proceeds of which have been used for corporate purposes in the five states in which it operates.

It is estimated that, unless refunded or repaid from the proceeds of the present issue of Debt Securities, or other permanent securities, the amount of such outstanding Short Term Obligations would be increased to approximately three hundred million nine hundred thousand dollars (\$300,900,000) by December 31, 1974.

The following Pro-Forma Balance Sheet, before and after the completion of the financing proposed herein, was submitted to be as follows:

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[Graphic(s) below may extend beyond size of screen or contain distortions.]

	<i>Before Proposed Financing</i>	<i>Account Proposed Financing</i>	<i>Of Completion Of Proposed Financing</i>
<i>ASSETS:</i>			
Telephone plant in service	\$ 4,151,900		\$ 4,151,900
Telephone plant under construction	141,200		141,200
Property held for future telephone use	4,900		4,900

Total Telephone Plant	4,298,000		4,298,000
Less Depreciation and Amortization Reserves	911,000		911,000
Total Telephone Plant Less Reserves	3,387,000		3,387,000
Miscellaneous Physical Property	2,100		2,100
Current Assets	232,000		232,000
Pre-paid accounts and deferred charges	54,000		54,000
TOTAL ASSETS	3,675,100		3,675,100
LIABILITIES:			
Current and accrued liabilities	175,463		175,463
Deferred credits	262,900		262,900
Total current and accrued liabilities and deferred credits	438,363		438,363
Capital stock	1,044,231		1,044,231
Premium on Capital Stock	*		*
Funded debt	1,410,000	150,000	1,560,000
Temporary obligations	*	(150,000)	*
Other long-term debt	2,320		2,320
Total capital obligations and premium	*		*
Retained earnings	233,800		233,800
TOTAL LIABILITIES			
NET INVESTMENT	\$ 3,236,737		\$ 3,236,737
TOTAL CAPITAL OBLIG., PREM. & RETAINED EARNINGS	*		*

Figures will be filed in on a Revised Exhibit 5 to be filed at a later date.

The Company represents that from time to time it has made expenditures in the States of Maine, Massachusetts, New Hampshire, Rhode Island and Vermont for the acquisition of property, the construction, completion, extension and improvement of its facilities in said states, and for the improvement and maintenance of telephone service, all of which expenditures have been necessary and requisite for present or future use in the conduct of its business. In order to meet these continuing expenditures, the Company has obtained new monies temporarily by means of Unsecured Short-Term Obligations, or has expended from its Treasury, monies other than monies obtained from the issuance of securities.

The Company submits that the proceeds of the sale of the Debt Securities proposed herein will be used to repay Unsecured Short-Term Obligations outstanding at the time said proceeds are available, the balance, if any, of such proceeds to be used for lawful corporate purposes as need therefore arises.

Upon consideration of the evidence submitted, this Commission is satisfied that the issuance and sale of the Debt Securities proposed herein will be consistent with the public good. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that New England Telephone and Telegraph Company be, and hereby is, authorized, insofar as said issue pertains to property or expenditures in the state of New

Hampshire, to issue and sell for cash, its debt securities to maturity date of which will be fixed by the Board of Directors on or about September 17, 1974, in the aggregate principal amount of up to one hundred fifty million dollars (\$150,000,000); and it is

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FURTHER ORDERED, that New England Telephone and Telegraph Company shall submit to this Commission the offerings of responsible competitive bidders for the purchase price and rate of interest of said debt securities, which bids shall be on a comparable basis, or the purchase price and rate of interest of said debt securities offered by a responsible buyer in the event New England Telephone and Telegraph Company elects to negotiate the sale of said debt securities rather than offer them to competitive bidders. Following the required submission, a Supplemental Order will issue establishing the price and interest rate at which said debt securities shall be sold; and it is

FURTHER ORDERED, that the proceeds from the sale of said debt securities shall be used for the purpose of discharging and repaying outstanding short term obligations of the Company, and the balance, if any, for other lawful corporate purposes; and it is

FURTHER ORDERED, that New England Telephone and Telegraph Company shall file with this Commission, as soon as reasonably practicable after the conclusion of the issue of the debt securities herein authorized, a detailed statement, duly verified by an officer, showing the disposition of the proceeds of the securities authorized herein, and thereafter a similar statement as of January first and July first in each year, until the disposition of the whole of the proceeds thereof shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of August, 1974.

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NH.PUC*08/27/74*[77364]*59 NH PUC 267*Dorothy H. Sayce

[Go to End of 77364]

Re Dorothy H. Sayce

DE 74-154, Order No. 11,536

59 NH PUC 267

New Hampshire Public Utilities Commission

August 27, 1974

GRANT of authority to a private citizen to install a submarine cable.

CONSTRUCTION AND EQUIPMENT, § 5 — Underwater cables — Private citizens.

[N.H.] A private citizen was authorized to install and maintain a submarine cable in public

waters between private properties.

BY THE COMMISSION:

Order

WHEREAS, by petition filed duly 31, 1974 Dorothy H. Sayce seeks a license pursuant to RSA 371:17-20 to construct and maintain an underwater cable across Lake Winnepesaukee in the Town of Meredith; and

WHEREAS, the petition represents that the proposed construction will cross approximately 420' of the lake from a new pole to be constructed on the private property of David Hughey, Meredith Neck in Meredith, New Hampshire to private property of the petitioner on Loon Island, Meredith, New Hampshire and provide services to said petitioner and others; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all the facts before the Commission, it is found that the proposed construction is necessary to meet the reasonable requirements of the petitioner and that the license sought may be issued and exercised by the

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petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is, granted to Dorothy H. Sayce to install and maintain an underwater cable under Lake Winnepesaukee in the Town of Meredith, all in accordance with the above description which is contained on a plan on file at the office of the Commission.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of August, 1974.

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NH.PUC*08/27/74*[77365]*59 NH PUC 268*Northern Utilities, Inc.

[Go to End of 77365]

Re Northern Utilities, Inc.

I-R14,267, Order No. 11,537

59 NH PUC 268

New Hampshire Public Utilities Commission

August 27, 1974

APPROVAL of a special rate contract between a gas company and a buck company.

BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc., a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 18 with Kane-Gonic Brick Company effective on September 1, 1974, for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of August, 1974.

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NH.PUC*08/27/74*[77366]*59 NH PUC 268*Northern Utilities, Inc.

[Go to End of 77366]

Re Northern Utilities, Inc.

I-R14,268, Order No. 11,538

59 NH PUC 268

New Hampshire Public Utilities Commission

August 27, 1974

ACCEPTANCE of a special rate contract between a gas company and a water company.

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BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc. a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 19 with Hampton Water Works Company, effective August 1, 1974 for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of August, 1974.

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NH.PUC*08/27/74*[77367]*59 NH PUC 269*Northern Utilities, Inc.

[Go to End of 77367]

Re Northern Utilities, Inc.

I-R14,269, Order No. 11,539

59 NH PUC 269

New Hampshire Public Utilities Commission

August 27, 1974

ACCEPTANCE of a special rate contract between a gas company and a bank.

BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc., a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 20 with Granite State Savings Bank, effective August 1, 1974 for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of August, 1974.

=====

NH.PUC*08/27/74*[77368]*59 NH PUC 269*Northern Utilities, Inc.

[Go to End of 77368]

Re Northern Utilities, Inc.

I-R14,270, Order No. 11,540

59 NH PUC 269

New Hampshire Public Utilities Commission

August 27, 1974

APPROVAL of a special rate contract between a gas company and a laundry.

BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc., a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 21 with Kittery Laundry, Inc. d/b/a Colonial Cleaners, effective August 1, 1974 for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of August, 1974.

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NH.PUC*08/28/74*[77369]*59 NH PUC 270*Union Telephone Company

[Go to End of 77369]

Re Union Telephone Company

DF 74-129, Order No. 11,541

59 NH PUC 270

New Hampshire Public Utilities Commission

August 28, 1974

AUTHORIZATION of a telephone company's previously issued short-term notes.

SECURITY ISSUES, § 31 — Validation of unauthorized issues — Misunderstanding.

[N.H.] The commission approved a telephone company's unauthorized issuance of short-term notes that exceeded both the amount and interest rate allowed where it found the issuance was due to a misunderstanding and was in the public interest.

BY THE COMMISSION:

Order

WHEREAS, by Order No. 9587 of this Commission dated February 24, 1969, Union Telephone Company was authorized to issue and sell for cash its short-term note, or notes, in an aggregate principal amount not in excess of \$150,000, to bear interest at a rate not to exceed 7%; and

WHEREAS, Union Telephone Company has outstanding short-term notes, aggregating \$590,000, as of July 3, 1974, which borrowings exceeded the authorized limit, and which borrowings bear interest at rates exceeding 7%; and

WHEREAS, the unauthorized borrowings were made due to a misunderstanding by the Company, it now seeks authorization for these borrowings; and

WHEREAS, Union Telephone Company has submitted a capital budget and pro forma balance sheet indicating the need for increased short-term borrowings and accordingly requests authorization to issue and sell its note, or notes, in an aggregate amount to not exceed \$850,000; and

WHEREAS, following conferences with the Company and investigation of the Company's records and reports, this Commission finds that the proposed financing upon the terms proposed is in the public interest; and

WHEREAS, the Company will attempt to fund a substantial portion of its short-term

Page 270

debt through permanent financing when market conditions appear appropriate; it is

ORDERED, that Union Telephone Company be, and hereby is, authorized from the date of this order to and including July 31, 1975, to issue and sell for cash, or renew, its short term note, or notes, payable less than twelve months after the date thereof, in an aggregate principal amount not in excess of eight hundred and fifty thousand dollars (\$850,000) to bear interest at a rate not to exceed the prime bank loan rate at the time of issuance or renewal; and it is

FURTHER ORDERED, that Union Telephone Company first obtain approval of this Commission before incurring short-term indebtedness in excess of the amount allowed by the terms of Supplemental Order No. 7446 of this Commission after July 31, 1975; and it is

FURTHER ORDERED, that on or before January first and July first in each year, Union Telephone Company shall file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of the proceeds of the notes herein authorized until the expenditures of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of August, 1974.

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NH.PUC*08/28/74*[77370]*59 NH PUC 271*Municipal Electric Department of Wolfeboro

[Go to End of 77370]

Re Municipal Electric Department of Wolfeboro

D-R6403, Fourth Supplemental Order No, 11,542

59 NH PUC 271

New Hampshire Public Utilities Commission

August 28, 1974

EXTENSION of a purchased power cost adjustment.

RATES, § 303 — Purchased power cost adjustment — Extension.

[N.H.] Because of a delay in implementing new permanent rates that would include the surcharge, the commission extended a purchased power cost adjustment.

BY THE COMMISSION:

Fourth Supplemental Order

WHEREAS, Third Supplemental Order No. 11,265 granted the Municipal Electric Department of Wolfeboro a purchased power adjustment of 23,187, with a termination date of September 1, 1974, in anticipation that such surcharge would be reflected in new rates to be filed prior to September 1, 1974; and

WHEREAS, the new rates are not expected to be filed until the last week in August, 1974; and

WHEREAS, inability to collect the authorized purchased power adjustment beyond September 1, 1974 would adversely affect the financial condition of the Department; it is

ORDERED, that the purchased power adjustment factor of 23,187, be, and hereby is, extended to such date as new rates including the surcharge become effective.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of August, 1974.
=====

NH.PUC*08/28/74*[77371]*59 NH PUC 272*City of Portsmouth Water Department

[Go to End of 77371]

Re City of Portsmouth Water Department

D-R5604, Eighth Supplemental Order No. 11,543

59 NH PUC 272

New Hampshire Public Utilities Commission

August 28, 1974

PETITION for an extension of the effective date of a portion of a rate increase; granted.

RATES, § 249 — Effective date — Delay — Extension.

[N.H.] Where, through a misunderstanding, a municipal water company failed to effectuate a rate increment on time, the commission agreed to an extension of the effective date since a delay would not harm the public.

BY THE COMMISSION:

Eighth Supplemental Order

WHEREAS, by (7th Supplemental) Order No. 10,802 the City of Portsmouth, New Hampshire Water Department was authorized by this Commission to place into effect a rate increase in two increments, the first increment to become effective on January 1, 1973 and the second increment to become effective on January 1, 1974; and

WHEREAS, the first increment was properly placed into effect on January 1, 1973 but, through apparent misunderstanding on the part of the City of Portsmouth, the second increment was not made effective on January 1, 1974; and

WHEREAS, the City Manager of Portsmouth has now requested by letter that the effective date of the second increment be extended to January 1, 1975; and

WHEREAS, the requested extension will not be against the public interest; it is

ORDERED, that so much of (7th Supplemental) Order No. 10,882 as permits the second increment to become effective January 1, 1974 is changed to read January 1, 1975; and it is

FURTHER ORDERED, that 2nd Revised Page 16, 1st Revised Page 16A, and 3rd Revised Page 18 be filed carrying the effective date of the second increment as January 1, 1975, effective with the date of this order, and carrying the notation "Issued in compliance with 8th Supplemental Order No. 11,543 in D-R5604;" and it is

FURTHER ORDERED, that public notice of this change in dates be given by publishing a copy of this order once in a newspaper having general circulation in the territory affected, with affidavit of publication to be forwarded to this Commission.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of August, 1974.

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NH.PUC*08/30/74*[77372]*59 NH PUC 273*Rules and Regulations Prescribing Standards for Electric Utilities

[Go to End of 77372]

Re Rules and Regulations Prescribing Standards for Electric Utilities

D-E3335, Seventh Supplemental Order No. 11,546

59 NH PUC 273

New Hampshire Public Utilities Commission

August 30, 1974

ADOPTION of rules and regulations governing electric utilities.

BY THE COMMISSION:

Seventh Supplemental Order

Pursuant to the provisions of RSA 363-B and in the exercise of the general powers of the Commission, and in accordance with RSA 541-A, the Administrative Procedure Act, and after a public hearing held upon public notice to all utilities and other interested parties affected at the office of the Commission on the twenty-fourth day of June, 1974; it is

ORDERED, that the Rules attached hereto, entitled Rules and Regulations Prescribing Standards for Electric Utilities (Revision of Section 8 in accordance with RSA 363-B) are hereby adopted, effective August 30, 1974; and it is

FURTHER ORDERED, that the previous Rule 8 as adopted under Order No. 6429 dated July 1, 1954 is hereby revoked, effective August 30, 1974.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of August, 1974.

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NH.PUC*08/30/74*[77373]*59 NH PUC 273*Rules and Regulations Prescribing Standards for Gas Utilities

[Go to End of 77373]

Re Rules and Regulations Prescribing Standards for Gas Utilities

D-E3978, Fifth Supplemental Order No. 11,547

59 NH PUC 273

New Hampshire Public Utilities Commission

August 30, 1974

ADOPTION of rules and regulations governing gas utilities.

BY THE COMMISSION:

Fifth Supplemental Order

Pursuant to the provisions of RSA 363-B and in the exercise of the general powers of the Commission, and in accordance with RSA 541-A, the Administrative Procedure Act, and after a

public hearing held upon public notice to all utilities and other interested parties affected at the office of the Commission on the twenty-fourth day of June, 1974; it is

ORDERED, that the Rules attached hereto, entitled Rules and Regulations Prescribing Standards for Gas Utilities (Revision of Section 9 in accordance with RSA 363-B) are

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hereby adopted, effective August 30, 1974; and it is

FURTHER ORDERED, that the previous Rule 9 as adopted under Order No. 7790 dated January 11, 1962 is hereby revoked, effective August 30, 1974.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of August, 1974.

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NH.PUC*09/23/74*[77374]*59 NH PUC 274*Gas Service, Inc.

[Go to End of 77374]

Re Gas Service, Inc.

DR 74-132, Order No. 11,566

59 NH PUC 274

New Hampshire Public Utilities Commission

September 23, 1974

PETITION by a gas company for a temporary increase in rates; granted as modified.

1. RATES, § 630 — Temporary rates — Necessity — Scope of investigation.

[N.H.] Requested temporary rates, when clearly needed, may be established without the extensive investigation required for permanent rate increases. p. 274.

2. REVENUES, § 2 — Future estimates — Basis — Economic factors.

[N.H.] The commission found a company's proposed revenue requirements to be overstated where estimated short-term borrowing needs were based on unpredictable expenditures and where assumed interest rates were unrealistically low. p. 275.

APPEARANCES: Orr & Reno by Charles H. Toll, Jr., for the petitioner.

BY THE COMMISSION:

Report

These proceedings were initiated on July 3, 1974 when Gas Service, Inc. (hereinafter sometimes referred to as the "Company"), a public utility engaged in the business of supplying gas service in the State of New Hampshire, filed a petition for temporary rates. The Company on May 10, 1974 filed with this Commission Fourth Revised Pages 14, 15, 16, 17 and 17A, Fifth Revised Pages 17B, 25, 26, and 33, Sixth Revised Page 29 and Seventh Revised Page 28 of its tariff, N.H.P.U.C. No. 4 — Gas, providing for basic rate increases in the Nashua and Laconia Divisions, effective June 10, 1974, said filing having been suspended in Order No. 11,421 dated May 20, 1974; and having filed on May 31, 1974, Original Page 19-A and Second Revised Pages 19-23 of its tariff, N.H.P.U.C. No. 4 — Gas, providing for basic rate increase in the Keene Division, effective July 1, 1974, said filing having been suspended in Order No. 11,462 dated June 17, 1974.

An order was issued noticing a hearing to be held on said matters at two o'clock in the afternoon on July 18, 1974 at the office of the Commission.

At the hearing testimony and other exhibits were presented alleging the need for increased rates of approximately \$538,000 in Nashua, \$83,000 in Laconia and \$222,000 in Keene, totaling approximately \$843,000. The major portion of the testimony and other evidence dealt with the Company's request for temporary rates for all three divisions in an amount to produce \$700,000 of additional revenues over and above the Company's existing basic rates for all divisions.

[1] Where a petitioner alleges the need for temporary rates and the evidence presented and otherwise available to the Commission clearly indicates the need for such temporary

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rates, then these rates can be established without such investigation as is required for the determination of permanent rates, with needed adjustments made on final determination of the case as authorized by the applicable statutes. We do not find that the evidence and testimony as presented fairly presents the revenue needs. We do find that the evidence supports the need for temporary rates in an increased amount over existing basic rates, but the amount needed we find to be substantially below the amount alleged by the Company.

The Company submitted as the test year the twelve months ended March 31, 1974. Pro forma adjustments to the test year were submitted by the Company to arrive at an "adjusted test year". The Company then estimated average short-term debt to be outstanding for the year ending March 31, 1975 and assumed an interest rate of 12% to prevail throughout this period. The revenue requirement requested for this temporary rate proceeding was then derived by applying a 2.5 times multiple to interest expense incurred during the test year plus interest expense assumed on short-term debt, as stated above.

[2] Computation of revenue requirements on this basis has at least two major deficiencies and results in a mathematically derived return on common equity to equate to the multiple of times interest coverage. Using this approach the Company estimated short-term borrowings one year in advance. Because of its inability to obtain new gas supplies the Company has drastically curtailed the taking on of new customers, with a resulting major drop in rate of construction expenses. On a cross-examination the chief executive officer replied to a question by the staff as to the capital expenditures budget for 1974, 1975 and 1976 as follows:

"We feel that to do so would be very awkward in light of present conditions. We cannot foresee what is going to happen. I said in my testimony it looked like \$300,000 a year just to keep the present plant in good shape."

To the extent that expenditures cannot be forecast, the estimate of borrowing needs cannot be relied upon. Later cross-examination of the treasurer and general manager stated that he could furnish " ... some ball park figures ... ". These figures on the construction forecast were, in fact, furnished the staff after the hearing date.

The other important element, in addition to the level of borrowing, is the assumption as to the interest rate which is likely to ensue over the twelve months period. In this regard, the Company's financial consultant in cross-examination by staff gave the following opinion:

" ... We could have a reasonable expectation that long-term rates and short-term rates in the foreseeable future and I mean by foreseeable in the next three, four months, could be somewhat lower than they are today. Hopefully considerably lower, but until we eliminate the inflationary characteristics in a substantial way, the expectation of rates being substantially lower and I mean from 12% down to 6% is unrealistic to look for. I would think a realistic level for Double A utility bonds by the end of the year could be rather than currently 11 1/2% could be something of the magnitude of 9 to 9 1/2%." The drop in interest rates foreseen by the Company's own witness is in the order of magnitude of from 17% to 22%, which would have a material impact on revenue requirements as computed by the Company.

We find that the Company's submitted level of debt and interest costs are incorrect. The amount of needed revenue increase is accordingly overstated.

We do not agree with some of the important pro forma adjustments to the test year as submitted by the Company. Additionally, important adjustments and allocations necessary to present a realistic adjusted net utility operating income were not made by the Company in its submission of testimony and other evidence at the hearing. While some additional data has been furnished to the staff by the Company, we find that further investigation, testimony and cross-examination will be required to arrive at just and reasonable rate levels.

The Company has failed to carry its burden of proof to justify increased temporary rates in an annual amount of \$700,000. We find that there is justification for temporary rates at this time. We estimate that temporary rates

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in an amount to increase annual revenues by \$450,000 will provide the Company with sufficient earnings to cover their financing needs. Because of the many differences that we have with the Company's filing, we shall endeavor to have a final determination of rates made before the peak heating season, and larger seasonal billings to customers begins. The temporary rate increase of \$450,000 equals approximately 9.3% of test year revenues, excluding interruptibles and seasonal and temporary gas purchase adjustment for the Keene Division.

We are requiring the Company to furnish this Commission in addition to monthly data normally filed with us, a copy of their detailed financial statements each month until permanent rates are finally decided.

We find that it is in the public interest that the Company's present tariff, plus in an amount calculated to produce an increase in annual gross revenues of approximately \$450,000, be prescribed as temporary rates, under RSA 378:27, effective with all current billings rendered on or after the date of the supplemental order authorizing a new tariff in accordance with this report. The increased amount is to be applied to the various divisions, as specified in the accompanying order. We further find that the Company shall file a repayment bond, under RSA 378:30, to secure repayment to the customers of the difference, if any, between the amounts collected under such temporary rates and the rates that the Commission finds should have been in effect during the continuance of such temporary rates. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Gas Service, Inc. be, and hereby is, authorized to establish temporary rates by increasing its basic rates in its operating divisions by applying percentage increases designed to produce total dollar increases annually in each division, as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

Nashua Division	\$240,322
Keene Division	175,062
Laconia Division	34,616
TOTAL	<u>\$450,000</u>

and it is

FURTHER ORDERED, that a new tariff page 13-A be added as a part of the terms and conditions setting forth the percentage increases in the basic rates, by operating divisions, necessary to produce the above dollar amounts; and it is

FURTHER ORDERED, that coincident with the billing of these higher rates in the Keene Division the 9.49¢ per therm surcharge now being collected under N.H.P.U.C. Order No. 11,431 ([1974] 59 NH PUC 214) shall be terminated, such charge now being reflected in the basic rates by virtue of this latest order; and it is

FURTHER ORDERED, that upon the furnishing of the appropriate tariff page, a supplemental order will issue authorizing it to become effective; and it is

FURTHER ORDERED, that Gas Service, Inc. furnish this Commission with a bond to secure the repayment to the customers of the public utility of the difference between the amounts collected under such temporary rates and the rates which the Commission finds should have been in effect during the continuance of such temporary rates; and it is

FURTHER ORDERED, that Gas Service, Inc. comply with the furnishing of all data as set forth in the above report.

By order of the Public Utilities Commission of New Hampshire this twenty-third day of September, 1974.

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NH.PUC*09/24/74*[77375]*59 NH PUC 277*Exeter and Hampton Electric Company

[Go to End of 77375]

Re Exeter and Hampton Electric Company

DR 74-120, Order No. 11,568

59 NH PUC 277

New Hampshire Public Utilities Commission

September 24, 1974

GRANT to an electric company of an easement and right-of-way across privately owned property.

EASEMENTS — Necessity — Least disruption.

[N.H.] The commission granted an electric utility a perpetual easement and right-of-way across privately owned land for the construction of distribution lines where it found the lines were necessary for the public service and that route would cause the least disruption, and where the company already had easement agreements with adjacent landowners.

APPEARANCES: David C. Engel, for Norman R. Marble and Edwina M. Marble, Edward A. Gage, for the petitioner.

BY THE COMMISSION:

Report

By petition filed June 27, 1974, Exeter and Hampton Electric Company, a duly authorized New Hampshire corporation operating under the jurisdiction of this Commission, seeks a finding pursuant to RSA 371 that it be granted a perpetual right and easement to certain property located in the Town of South Hampton, New Hampshire belonging to Norman R. Marble and Edwina M. Marble, which is to be used for the purpose of construction and maintenance of an electric distribution line necessary to meet the reasonable requirements of service to the public.

A hearing was held on this petition, following due notice, at Concord on August 21, 1974, and a view of the premises was taken on the same day.

The situation involves the extension of electric service to one or more customers on a narrow peninsula into Tuxbury Pond. A private way running down the middle of the peninsula through each lot provides vehicular access from Amesbury Road to the several lots on the peninsula. The first two residences are being served by means of a pole located on the property of the first customer located on the above private right-of-way. The petitioner has obtained signed easements to relocate the above pole and extend the line to an additional customer (s) with the exception of a right-of-way across the Marble land.

The petitioner represents that every effort has been made during the last two years to work out an agreeable route with the Marbles, but to no avail.

At the hearing the necessity of the line was agreed to. While the landowner, testifying in his own behalf, suggested an alternate route along the waterfront, nothing further has developed in furnishing the petitioner with a signed easement.

A real estate appraiser testified for the petitioner that the value of damages for the easement sought would be sixty dollars (\$60.00); the landowner offered no testimony on damages.

After consideration of the evidence and a view of the premises, we find that construction of the line is necessary to serve the public, that the route proposed by the company will cause the least disruption, and that the damages of sixty dollars(\$60.00) is fair and reasonable.

Our order will issue accordingly.

Order

Upon consideration of the foregoing, which is made a part hereof; it is

ORDERED, that in the matter of the petition of Exeter and Hampton Electric Company, filed June 27, 1974, praying for rights for its pole lines over land of the respondents,

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situated in the Town of South Hampton, County of Rockingham, State of New Hampshire, this Commission, having, upon due notice to the parties in interest, heard and determined the necessity for the rights prayed for, now this twenty-fourth day of September 1974 orders, adjudges and decrees as follows;

That it is necessary in order to meet the reasonable requirements of service to the public that said Exeter and Hampton Electric Company, subject to supervision under RSA 371, should erect, repair, maintain, rebuild and operate, and, at its pleasure, remove, replace, or substitute a line of poles with cross-arms, wire, and other appurtenance for the transmission of electric energy and intelligence, including the necessary guys, over and across that portion of the following described premises to which Norman R. Marble and Edwina M. Marble hold title:

Four adjoining lots of land, with the buildings thereon, situate in South Hampton, in the County of Rockingham, State of New Hampshire, on the shore of Tuxbury's Pond, so-called, and being lots 16, 17, 18 and 19 on "Plan of Development of Hayes property into camp lots" filed with Rockingham County Registry of Deeds in Plan Book 43, Plan 11 to which plan reference may be had for a more complete description and which are bounded and described as follows:

Northerly by lot 15 as shown on said plan; Easterly by Tuxbury's Pond; Southerly in part by lot 20, a right of way and by lot 23 all as shown on said plan; Westerly by land now or formerly of Hayes and by said Tuxbury's Pond. The Easterly and Westerly boundary of said lots are of sufficient length to provide a width of fifty (50) feet throughout each lot. Together with a right of way as shown on said plan to and from the main highway leading from Amesbury, Mass. to Newton, N.H. described as the Amesbury Road on said plan. Some of this land is covered with flowage water part of the time and this conveyance is made subject to any flowage rights which may appear of record and so far as the same are now applicable and subject also to the right of

way over the granted premises to other lots shown on said plan.

— said right and easement within the above premises being bounded and described as follows:

"Beginning at a point in the westerly side-lines of the right-of-way at the lot line between Lots 23 and 19, thence running in a general northerly direction about 200' to the easterly sideline of said right-of-way at the junction of Lots 15 and 16 as shown on 'Plan of Development of Hayes Property' as recorded Rockingham County Registry of Deeds 01268"; and such right and easement shall include (a) the right to clear and keep clear the said strip of all trees and underbrush by such means as the Petitioner may select, and to remove all structures or obstructions which are now or may hereafter be found within the limits of the above-described strip and (b) the right to remove from said premises and other premises of the said Norman R. Marble and Edwina M. Marble in the vicinity thereof such trees or parts of trees as in the judgment of the Petitioner may interfere with or endanger said lines or their maintenance or operations; provided, however, that all wood and timber on said strip which is cut by the Petitioner shall remain the property of the owner of said premises, the Petitioner having the right to limb such trees and to leave them full length or to cut them into shorter lengths for convenience in handling, provided however, that with respect to any trees which in the opinion of the Petitioner are suitable for lumber, Petitioner shall make only such cuts as in its reasonable judgment will not destroy the merchantability of the lumber, and (c) the right at any time to pass and repass with men, teams, and other vehicles along and under said lines of wires across said tracts of land.

The Exeter and Hampton Electric Company shall pay Norman R. Marble and Edwina M. Marble for said right-of-way and easement the sum of sixty dollars (\$60.00).

All rights described herein shall be exercised in a reasonably careful and prudent manner, so that no injury which can be avoided or prevented by the exercise of reasonable care shall result to the lands in respect to which the same are granted by reason of the construction, maintenance and operation of said lines.

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A certified copy of the petition aforesaid and this decree thereon shall be recorded in the Registry of Deeds in the County of Rockingham.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of September, 1974.

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NH.PUC*09/25/74*[77376]*59 NH PUC 279*New England Telephone and Telegraph Company

[Go to End of 77376]

Re New England Telephone and Telegraph Company

DR 74-94, Supplemental Order No. 11,570 5 PUR4th 505

59 NH PUC 279

New Hampshire Public Utilities Commission

September 25, 1974

ORDER establishing a rate increase for a telephone company.

1. INTERCORPORATE RELATIONS, § 18.1 — Security transactions — Dividends to parent.

[N.H.] A subsidiary's annual payment of the same dividend to all stockholders, including its parent corporation, is not indicative of excess earnings. p. 280.

2. EXPENSES, § 45 — Directors' fees — General business practices.

[N.H.] The commission found the amounts a telephone company paid its outside directors to be reasonable and in proportion to fees acceptable in the general business world. p. 280.

3. RETURN, § 26 — Cost of capital — National economy — Parent's capital structure.

[N.H.] The poor national economy and high interest rates are more significant in determining a company's cost of capital than its parent company's capital structure. p. 281.

4. RETURN, § 35 — Reasonableness — Slowing growth rate — Attrition.

[N.H.] Where the test year reflected a slowing growth rate, the commission allowed a rate of return above the base cost of capital in order to offset the effects of attrition and to provide for future growth. p. 281.

5. VALUATION, § 25 — Date of valuation — Average versus year-end figures.

[N.H.] The commission used an average rate base rather than the end-of-period rate base proposed by the company. p. 282.

APPEARANCES: McLane, Graf, Greene & Brown, by Kenneth F. Graf and Peter Guenther, Representative D.A. Rock, Nashua Ward 1, Hillsborough County District 16, pro se; William K. Graham of Concord, pro se, for the petitioner.

BY THE COMMISSION:

Report

These proceedings were initiated on May 23, 1974 when New England Telephone and Telegraph Company (hereinafter sometimes referred to as the "Company") filed with this Commission revisions of its tariffs, N.H.P.U.C. No. 70 and N.H.P.U.C. No. 73, providing for an annual aggregate increase in rates of 8.2 percent, designed to affect an increase in annual gross income of \$4,950,000 proposed to become effective June 22, 1974.

On May 27, 1974 we suspended the revised filings pending investigation and decision.

On August 8, 1974 we issued an Order of Notice, providing for a hearing to be held at the office of the Commission on September 3, 1974.

On September 3, 1974 a duly noticed hearing was held at the office of the Commission.

At the hearing the Company submitted testimony and other evidence alleging the need for increased rates. The evidence presented was based primarily upon the twelve months ended May 31, 1974.

Representative David Alan Rock filed a "Statement" as an intervenor in the case, asserting that he doesn't feel that the application for rate increase "was shown to be justified".

[1] Representative Rock questions the continued payment of dividends by the Company to its parent, American Telephone and Telegraph Company, and cites the 1972 net income of American Telephone and Telegraph Company as a factor in this rate case. The continuation for many years of the same dividend payments, per share, to all stockholders, including American Telephone and Telegraph Company, is not indicative of excess earnings. During this same time span the shareholders increased their investment each year through retained earnings, without any increased payout on the increasing investment. The total net income of American Telephone and Telegraph Company is not in, and of itself relevant to this case; the capitalization, rate of return and the relationships to this Company were considered at length in the prior case in establishing cost of capital and would again be considered in a case where the Company and/or the staff were contesting the cost of capital to the petitioner.

The staff asked on cross-examination rates of return on a comparable basis being realized by the Company in other jurisdictions. Representative Rock argues that, because at May 31, 1974, the rate of return being realized was higher in New Hampshire than in the other four jurisdictions, this increase should be denied. Rates of return found to be fair and reasonable by these jurisdictions in the latest reported cases were: Maine, 8.65%, 1972, now being updated; Massachusetts, 8.93%, 1973, with a \$42,100,000 increase allowed September 18, 1974 to update the rate of return; New Hampshire 8.60%, 1972; Rhode Island, 8.38%, 1973, now being updated with a new filing; Vermont, 7.93%, 1971, with revenues now being collected under bond at rates of return of 9.5% to 10.1% from date of denial of increase. Attrition and substantial increases in interest costs have resulted in realized rates of return being below those authorized, causing the Company to file rate increase requests in all jurisdictions for intrastate operations.

The statement was made that the Company " ... has no incentive to minimize its costs and for that reason operates inefficiently". Also, statements were made to the affect that " ... the Company is encouraged, virtually compelled, by the desire for increased profits to make huge capital expenditures for new plants and equipment". As the realized rates of return indicate, the Company is not guaranteed a level of profits and every financial incentive to improve efficiencies is present. For the year 1968, the Company had net income per average share of \$2.81. Five years later the Company had net income per average share of \$2.66; lower profits per share after increasing net plant investment in these five years by over 80 percent. One measure of efficiency is the average number of employees per 10,000 average number of telephones, which shows the following for New Hampshire: 1971, 84; 1972, 80; 1973, 77; 5/ 31/74, 76. We do not imply that the company has achieved the maximum in efficiencies; the Bell System has made and continues to make efforts to improve productivity through advances in technology,

increases in investment per employee and improvements in telephone company operating methods. We further discuss capital expenditures in other parts of this report.

[2] Representative Rock questions the amount paid as directors fees, \$300 per meeting. These fees are not paid to directors who are also officers of the Company or its parent. We do not agree that these amounts are out of line with other substantial financial institutions and corporations in New England. The clearly established trend in today's business world is to pay higher directors fees to "outside" directors in recognition of increasing legal and business responsibilities assumed by the office. Also, it is important to keep in perspective the costs borne by New Hampshire intrastate operations, which for

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the year 1973 was \$2,286, relating to jurisdictional revenues of \$59,804,288.

The advertising expenditures in New Hampshire were questioned by Representative Rock. The amounts incurred in New Hampshire have been reduced over the last five years in absolute dollars, and have been a decreasing percentage of New Hampshire revenues. We reviewed these expenditures in some detail in our last audit of the Company's New Hampshire intrastate operations and were satisfied as to the propriety and amounts of these expenditures.

Representative Rock questioned payments classified as membership fees and dues, contributions, payments to banks as depositories under centralized mail remittance plan, and certain payments to Bell Telephone Laboratories and Western Electric Company, Inc. The costs for membership fees and dues and for contributions charged to New Hampshire intrastate operations are reasonable in relation to revenues and earnings. The payments to banks under centralized mail remittance is a necessary cost in managing cash flows and results in cost benefits to the Company. No showing has been made that payments to Bell Telephone Laboratories or to Western Electric Company, Inc. were excessive or unwarranted. These relationships have been studied by the Federal Communications Commission, various state commissions and are analyzed each year by the National Association of Regulatory Utility Commissioners. This Commission will continue to review relationships of the Bell affiliates as they may affect New Hampshire operations.

The Company last sought a rate increase before this Commission by its filing of August 6, 1971. After lengthy investigation and consideration and several days of hearings, this Commission issued a report and order on August 24, 1972 finding that the rate of return to which the Company was entitled was 8.6% and allowing for rates designed to produce an annual increase in gross revenues of \$5,245,000 (11.6% of the rates then in effect).

Appeals were taken by the Company to the New Hampshire Supreme Court from the August 24, 1972 order. The Court remanded the case to this Commission on the sole issue of attrition.

After further extensive investigation of the issue on remand this Commission on July 17, 1973 issued its report and order denying any further increase in rates and finding that attrition was not present to prevent the Company from earning the allowed rate of return.

The proceedings starting in 1971 involved lengthy consideration of most of the basic issues in rate making, with energetic advocacy of conflicting views by the Company and its outside

experts and by the staff and its outside experts. Voluminous evidence, testimony and briefs were involved in those proceedings both before this Commission and before the New Hampshire Supreme Court.

In this proceeding the Company has chosen to file its rate request substantially in agreement with the issues as determined in the 1971 rate case; including acceptance of the 11 percent cost of common equity found in the previous rate case. In calculating cost of capital the Company seeks only to update its substantially increased cost of debt, using the actual capital structure at May 31, 1974.

[3] The increased cost of debt capital to this Company, and to borrowers in general, is common knowledge. Record high interest rates in this Country are the result of national and international economic conditions beyond the control of any one or group of borrowers. Since the last rate proceeding, initiated in 1971, the Company has had to refund maturing long-term debt with low interest rates at current materially higher costs. Additionally, the increased borrowings necessary to fund plant growth and modernization have been made at current interest rates, substantially above embedded debt costs. The cost of capital as submitted by the Company is fairly presented and we accept their range of cost of capital. In the prior case this Commission computed cost of capital for the Company and for its parent, American Telephone and Telegraph Company, concluding that the cost of capital on either basis was essentially the same. We find that no significant difference in this case in the computation of revenue requirements would result from reference to the parent's capitalization.

[4] In our investigation on remand on the issue of attrition, we found in our report and order of July 17, 1973 that attrition was not

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then a factor. Net earnings in absolute terms peaked in September, 1973 and have been in a downward trend since that date. The continued need for new investment has resulted in a constantly increasing average net investment. Since the end of the summer of 1973, the rate of growth in average telephones has been in a downtrend, while expenses continue to increase. This combination of circumstances has caused attrition in the Company's earned rate of return.

The Company has made economy moves and continues to monitor expenses and capital expenditures. The most recent forecast, August 1974 View, of New Hampshire construction expenditures indicates a reduction from previous forecasts, reflecting, in part, the slowing in the rate of growth of demand for new services. With essentially flat expenditures, although at high dollar levels, the rate of growth of average net investment will be at lower amounts, but still at significant levels.

Even with a slowing rate of growth for new services in New Hampshire, the State is a growth area. In order to meet current and projected demands for services and to continue needed modernization programs, the Company must continue with the substantial capital expenditure program in New Hampshire. Failure to provide for growth and modernization could result in inadequate service and the need to greatly increase the timing and amounts of expenditures to catch up to demand at some future date. This condition existed in parts of New Hampshire, and other areas of this Country, in 1969 and 1970.

A turn in economic factors creating a demand for telephone services more in line with the New Hampshire experience of recent years will partially or wholly offset the attrition presently being experienced. The timing and degree of such a turn will determine the earned rate of return at that point in relation to the then existing rate base. Since the test year covers a substantial number of months with a slowing growth rate, revenue requirements set on this test year, a period of depressed earnings, will help to offset attrition, dependent on the timing and degree of favorable economic changes. The Company filed for a revenue increase based upon its cost of capital. This Commission has frequently allowed a rate of return above the base cost of capital and will do so in this case in order to determine a fair rate of return and in order to offset the affects of attrition.

[5] We have made two adjustments to rate base as submitted and we have used average rate base, rather than end of period rate base proposed by the Company. We agree with the Company's test year and with the adjustments made to the test year expenses. In our opinion the Company presented a fair and reasonable request for increased rates and proposes to assess the increase in an equitable manner.

I Rate of Return

The Company submitted cost of capital computations as at May 31, 1974 with a weighted cost of debt capital between 3.43% and 3.48%, using an estimated range of 8-9% for additional long-term debt to replace outstanding short-term debt. We adopt this range of debt cost.

The Company used a cost common equity of 11%, the cost found by this Commission in the 1971 rate proceeding. The weighted cost of common equity is 5.447%.

We find that the cost of capital at this time is 8.87%. We find that a fair rate of return is 9.07% and that this return should enable the Company to attract capital and assure confidence and stability in the financial status of the utility.

II Rate Base

We accept the average rate base submitted by the Company and as corrected for increased deferred income taxes of \$544,000, resulting from adjustments following questions raised by the Commission staff, totaling \$155,784,000.

III Revenue Requirements

The Company's filed rates requested an increase of \$4,950,000 on an annual basis. We find that applying the fair rate of return to the average rate base produces a revenue requirement of approximately \$4,950,000. Accordingly, we find that the Company is entitled to the increase as requested. Our order will issue accordingly.

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Supplemental Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that the revisions to its tariffs, N.H.P.U.C. No. 70 and N.H.P.U.C. No. 73, as listed below, filed by the New England Telephone and Telegraph Company with this

Commission on May 23, 1974, providing for an annual aggregate increase in rates of eight and two tenths percent (8.2%), designed to effect an increase in annual gross revenue of four million, nine hundred fifty thousand dollars (\$4,950,000)

[Graphic(s) below may extend beyond size of screen or contain distortions.]

N.H.P.U.C. No. 70

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Part V - Message Toll

Part VI - WATS

N.H.P.U.C. No. 73

Mobile

which revisions were suspended by Commission Order No. 11,437, dated May 27, 1974, may now become effective as of September 28, 1974; and it is

FURTHER ORDERED, that New England Telephone and Telegraph Company give public notice of this rate increase by a one-time publication of this order in a newspaper having general circulation in the territory served by said Company.

The Secretary of the Commission is hereby directed to issue the above order this twenty-fifth day of September, 1974.

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NH.PUC*09/26/74*[77377]*59 NH PUC 284*New Hampshire Electric Cooperative, Inc.

[Go to End of 77377]

Re New Hampshire Electric Cooperative, Inc.

I-R14,278, Order No. 11,571

59 NH PUC 284

New Hampshire Public Utilities Commission

September 26, 1974

APPROVAL of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 35 with Sandra Hobbs, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of September, 1974.

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NH.PUC*09/26/74*[77378]*59 NH PUC 284*New Hampshire Electric Cooperative, Inc.

[Go to End of 77378]

Re New Hampshire Electric Cooperative, Inc.

I-R14,281, Order No. 11,572

59 NH PUC 284

New Hampshire Public Utilities Commission

September 26, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the

jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 34 with Edward Karmen, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions

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thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of September, 1974.

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NH.PUC*09/26/74*[77379]*59 NH PUC 285*Gas Service, Inc.

[Go to End of 77379]

Re Gas Service, Inc.

DR 74-132, Supplemental Order No. 11,574

59 NH PUC 285

New Hampshire Public Utilities Commission

September 26, 1974

ACCEPTANCE of a new tariff page reflecting temporary rates established by a prior commission order.

BY THE COMMISSION:

Supplemental Order

WHEREAS, by Order No. 11,566 dated September 23, 1974, Gas Service, Inc. was authorized to establish temporary rates in certain dollar amounts; and

WHEREAS, said Order required the filing of a new tariff page 13-A to set forth the percentage increases necessary to produce the authorized dollar amounts; and

WHEREAS, on September 26, 1974 Gas Service, Inc. filed new tariff page 13-A; and

WHEREAS, after investigation and review the submitted computation of percentages meets with the approval of the Commission; it is

ORDERED, that new tariff page 13-A be, and hereby is, authorized to become part of N.H.P.U.C. No. 4 — Gas; and it is

FURTHER ORDERED, that said tariff page 13-A be, and hereby is, authorized to become

effective with all current bills rendered on and after October 1, 1974.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of September, 1974.

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NH.PUC*09/30/74*[77380]*59 NH PUC 285*New England Telephone and Telegraph Company

[Go to End of 77380]

Re New England Telephone and Telegraph Company

DE 74-163, Order No. 11,578

59 NH PUC 285

New Hampshire Public Utilities Commission

September 30, 1974

LICENSE granted to a telephone company to construct submarine plant.

Page 285

TELEPHONES, § 2 — Construction and equipment — Underwater plant.

[N.H.] A telephone company was authorized to install submarine plant in public waters to provide for private service and future growth.

BY THE COMMISSION:

Order

WHEREAS, by petition filed August 23, 1974, New England Telephone and Telegraph Company seeks a license pursuant to RSA 371:17-20 to install and maintain a submarine crossing under Lake Winnepesaukee in the Town of Tuftonboro; and

WHEREAS, the petitioner represents that the proposed construction will cross approximately 2000' of the Lake from Cow Island to the private property of Mr. Wheeler Beckett on Ragged Island; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all the facts before the Commission, it is found that the proposed construction is necessary to meet the reasonable requirements of the public; and in particular to provide telephone service to Mr. Wheeler Beckett and for future growth in the New England Telephone and Telegraph Company's Center Harbor Exchange, and that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is granted to the New England Telephone and Telegraph Company to place and maintain a submarine crossing under Lake Winnepesaukee in the Town of Tuftonboro, all in accordance with the above description which is contained on a plan on file at the office of the Commission.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of September, 1974.

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NH.PUC*09/30/74*[77381]*59 NH PUC 286*New Hampshire Electric Cooperative, Inc.

[Go to End of 77381]

Re New Hampshire Electric Cooperative, Inc.

DE 74-168, Order No. 11,579

59 NH PUC 286

New Hampshire Public Utilities Commission

September 30, 1974

PERMISSION for an electric cooperative to construct underwater cables.

ELECTRICITY, § 6 — Cables — Underwater.

[N.H.] An electric cooperative was allowed to install submarine cables in public waters in order to serve residents of an island.

BY THE COMMISSION:

Order

WHEREAS, by petition filed August 29, 1974 the New Hampshire Electric Cooperative, Inc. seeks a license pursuant to RSA 371:17-20 to construct and maintain an underwater cable across Lake Winnepesaukee in the Town of Gilford; and

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WHEREAS, the petition represents that the proposed construction will cross approximately 560' of the lake from Pole M17 on the private property of Mr. Bernard Snierson, Mark Island, Gilford to Pole M22 on private property of William Veazey, Mink Island, Gilford, and to provide service to property owners on Mink Island; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all the facts before the Commission, it is found

that the proposed construction is necessary to meet the reasonable requirements of the petitioner and in the limit sought may be issued and exercised by the petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is, granted to New Hampshire Electric Cooperative, Inc. to install and maintain an underwater cable under Lake Winnepesaukee in the Town of Gilford all in accordance with the above description which is contained on a plan on file at the office of the Commission.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of September, 1974.

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NH.PUC*09/30/74*[77382]*59 NH PUC 287*Public Service Company of New Hampshire

[Go to End of 77382]

Re Public Service Company of New Hampshire

DE 74-153, Order No. 11,580

59 NH PUC 287

New Hampshire Public Utilities Commission

September 30, 1974

LICENSE granted to an electric company to construct overhead transmission lines.

ELECTRICITY, § 7 — Authorization for transmission lines.

[N.H.] An electric company was authorized to construct overhead transmission lines across public waters as part of its general reconstruction program.

BY THE COMMISSION:

Order

WHEREAS, by petition dated duly 30, 1974 and filed August 1, 1974, the Public Service Company of New Hampshire seeks authority pursuant to RSA 371:17-20 as amended by Chapter 21, Laws of 1967 for a license to construct and maintain an electric transmission line over and across the Merrimack River in the Town of Hooksett, New Hampshire; and

WHEREAS, the petition alleges that said line is part of a general reconstruction of transmission lines between the Deerfield Substation in Deerfield and the Greggs Substation in Goffstown and that it is necessary to meet the reasonable requirements of service to the public; and

WHEREAS, the petition alleges that said line will cross approximately 525 feet of the river

at a height of 42 feet at a location approximately 1.4 miles south of the southerly end of the Hooksett Municipal Airport; and

WHEREAS, after due notice to interested parties no protest has been received and after further investigation the Commission finds that in order to meet the reasonable requirements of service to the public, it is necessary that said electric transmission line should be constructed and maintained, and that the license petitioned for may be exercised without

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substantially affecting public rights or the waters crossed; it is

ORDERED, that the license be, and hereby is, granted to the Public Service Company of New Hampshire to construct and maintain an electric transmission line as shown on a plan entitled "115 KV Line Crossing Merrimack River Hooksett, New Hampshire" (Plan No. D-7649-124) on file with this Commission.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of September, 1974.

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NH.PUC*10/01/74*[77383]*59 NH PUC 288*Northern Utilities, Inc.

[Go to End of 77383]

Re Northern Utilities, Inc.

DR 74-169, Order No. 11,581

59 NH PUC 288

New Hampshire Public Utilities Commission

October 1, 1974

REVIEW of a petition to implement a purchased gas price adjustment; granted.

RATES, § 303 — Fuel clauses — Purchased gas price adjustment.

[N.H.] Where the Federal Power Commission had granted a supplier two wholesale rate increases, a gas company was permitted to use a purchased gas price adjustment to offset the higher costs.

APPEARANCES: Milton F. Todd for the petitioner.

BY THE COMMISSION:

Report

On July 8, 1974, Northern Utilities, Inc., Allied Gas Division, a public utility engaged in the business of supplying gas service in the State of New Hampshire, filed with this Commission Supplement No. 6 to its tariff, N.H.P.U.C. No. 6, providing for a temporary purchased gas price adjustment of \$.0041 per therm. The supplement consisted of the title page and two additional pages, original page 1 and 2. This filing was suspended by Commission Order No. 11,509, dated July 29, 1974, pending investigation and decision thereon.

Pursuant to published notice, a hearing was held on September 25, 1974, at the office of the Commission.

The Company testified that the filing was merely to reflect increased costs being charged by its supplier, Granite State Transmission, Inc., who was authorized by the Federal Power Commission to increase its rates on July 2, 1974 and July 8, 1974.

At the hearing, the Company amended its earlier filing by the submission of a new Supplement No. 7 to its tariff, N.H.P.U.C. No. 6, consisting of a title page and two additional pages, original page 1 and 2. This new supplement was to reflect the second increase allowed to Granite effective July 8, 1974, of \$.0007/therm making the new total \$.0048 and changing the effective date of Northern's Supplement No. 6 from August 1, 1974 to Supplement No. 7 to be effective October 1, 1974.

We find that the temporary purchased gas price adjustment will serve to offset the increased purchased gas costs being already incurred and is necessary for that purpose, and that this tariff will not increase the company's rate of return. The consumer is protected by clauses in the tariff providing for refunds and adjustments to the Company's customers for any changes made by decision

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of the Federal Power Commission and for any over collection of the actual increase.

During the course of the hearing one error in the wording on original page 1 of Supplement No. 7 was detected and the Company agreed to change *September 30, 1975* wherever it occurs to *June 30, 1975* and furnish corrected copies of page 1.

Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Supplement No. 7 to N.H.P.U.C. Tariff, No. 6, Northern Utilities, Inc., Allied Gas Division, providing for a temporary purchased gas price adjustment of \$.0048 per therm may become effective with all current bills rendered on and after October 1, 1974; and it is

FURTHER ORDERED, that Northern Utilities, Inc., Allied Gas Division give public notice of this temporary purchased gas price adjustment by publishing a copy of this order upon receipt in newspapers having general circulation in the territories served by said company.

By order of the Public Utilities Commission of New Hampshire this first day of October, 1974.

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NH.PUC*10/01/74*[77384]*59 NH PUC 289*New Hampshire Electric Cooperative, Inc.

[Go to End of 77384]

Re New Hampshire Electric Cooperative, Inc.

I-R14,286, Order No. 11,582

59 NH PUC 289

New Hampshire Public Utilities Commission

October 1, 1974

APPROVAL of a special rate contract between an electric cooperative and a limited partnership.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 32 with the Village at Loon Mountain, a Limited Partnership, d/b/a The Village of Loon Mountain, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render its terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this first day of October, 1974.

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NH.PUC*10/02/74*[77385]*59 NH PUC 290*Gunstock Glen Water Company

[Go to End of 77385]

Re Gunstock Glen Water Company

DE 74-100, Order No. 11,583

59 NH PUC 290

New Hampshire Public Utilities Commission

October 2, 1974

APPLICATION for license to operate as a public water utility; granted.

PUBLIC UTILITIES, § 121 — Status — Water — Ability to serve.

[N.H.] A water company was granted public utility status to operate in a limited area of a town where it was found to be willing and financially able to provide adequate service.

APPEARANCES: Richard P. Brouillard for the petitioner.

BY THE COMMISSION:

Report

On October 28, 1973, Gunstock Glen Water Company, a New Hampshire corporation with its principal place of business at Gilford, New Hampshire, filed with this Commission a petition requesting authority to operate as a public water utility in a limited area of the Town of Gilford.

On July 9, 1974 a hearing was held on the aforementioned petition at the office of the Commission in Concord, following publication in a newspaper having general circulation in the area. The petitioner represented that the Gunstock Glen development was started in Gilford in 1954 and that the water system was formed and constructed in connection with this development.

In accordance with statutory requirements, this water system has been approved by the New Hampshire Water Supply and Pollution Control Commission.

At the hearing the petitioner submitted a revised schedule of rates employing a fixture count rate schedule which we find to be comparable to those in use by other water utilities in this state; and it appears that this schedule will produce the required revenues.

By letter dated July 16, 1974, the Selectmen of the Town of Gilford stated that they have no objection to the petitioner serving in the town.

The proposed financing and capital structure and the petitioner's projections of income and expense indicate that the project will be a financially sound water utility. Based on testimony and data submitted, we are of the opinion that the petitioner would financially be able to furnish water service as contemplated.

Upon investigation and consideration of the evidence submitted, the Commission is of the opinion that granting the authority sought will be consistent with the public good. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Gunstock Glen Water Company be, and hereby is, authorized to operate as a public water utility in a limited area in the town of Gilford, said area bounded and described as follows:

Beginning on the easterly side of Main Street in said Gilford, at the southwesterly corner of the Pine Grove Cemetery, and thence running about easterly along the southerly boundary of said cemetery a distance of four hundred feet, more or less, to the southeasterly corner of said

cemetery; thence turning and running about northeasterly along the easterly side of said cemetery a distance of one thousand twenty feet, more or less to the northwesterly corner of land of the said Sturrocks; thence turning and running about southeasterly along the northerly boundary of land of said Sturrocks a distance

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of one thousand fifty feet, more or less, to the northeasterly corner of land of Sturrocks; thence turning and running about southwesterly along the easterly boundary of land of Sturrocks a distance of eighteen hundred sixty feet, more or less, to the northerly side of Belknap Mountain Road; thence turning and running about westerly along the northerly side of Belknap Mountain Road a distance of twelve hundred fifty feet, more or less, thence following said Belknap Mountain Road on a curve to the right to its intersection with Main Street; thence running on the easterly side of Main Street a distance of one hundred fifty feet, more or less; thence running westerly across Main Street to land of Gillio and on land of Gillio a distance of one hundred feet, more or less, thence running northerly on land of Gillio and land formerly of Watson, now of Luncau, a distance of two hundred feet, more or less; thence turning and running northeasterly along Luncau land and across Main Street to the easterly side of said street; and thence running on the east side of Main Street two hundred fifty feet, more or less, to the point of beginning, said area outlined on maps on file in the office of this Commission, marked exhibits in the case, and for this purpose to construct the necessary facilities; and it is

FURTHER ORDERED, that its tariff, entitled NHPUC No. 1 — Water, setting forth rates, terms and conditions covering service in the area shall become effective with the date of this order; and that three signed (title page only) copies, plus seven additional copies, of said tariff be filed with this Commission immediately upon receipt of this order.

By order of the Public Utilities Commission of New Hampshire this second day of October, 1974.

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NH.PUC*10/08/74*[77386]*59 NH PUC 291*Public Service Company of New Hampshire

[Go to End of 77386]

Re Public Service Company of New Hampshire

DF 74-171, Order No. 11,592

59 NH PUC 291

New Hampshire Public Utilities Commission

October 8, 1974

AUTHORIZATION for an electric utility to issue common stock and first mortgage bonds.

SECURITY ISSUES, § 95 — Stocks and bonds — Negotiated public sales.

[N.H.] An electric utility was authorized to issue and sell common stock and first mortgage bonds through negotiated public offerings since current money markets could render competitive sales unfavorable.

APPEARANCES: Ralph H. Wood for the petitioner.

BY THE COMMISSION:

Report

By petition filed September 6, 1974, Public Service Company of New Hampshire (the "Company"), a corporation duly organized and existing under the laws of the State of New Hampshire, and operating therein as an electric public utility under the jurisdiction of this Commission, seeks authority pursuant to the provisions of RSA 369 to issue and sell for cash not exceeding one million (1,000,000) shares of its Common Stock, \$5

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par value, and not exceeding twenty five million dollars (\$25,000,000) of First Mortgage Bonds, Series T, and to mortgage its present and future property, tangible and intangible including franchises, as security for said Bonds.

At the hearing on the petition, held in Concord on October 3, 1974, the Company submitted that the proceeds of the sale of the Common Stock and the Bonds will be used to pay off short-term notes outstanding at the time of the sale, the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the Company's business. The Company further submitted that all expenses incurred in accomplishing the financing will be paid from the general funds of the Company.

The Company further submitted that the securities will be sold through negotiated public offerings. The Company asserted its belief that in today's money markets it was virtually necessary that sales be negotiated and that such sales would result in terms at least as favorable as those that might be obtained through competitive sales. The Company further stated that a seven-year maturity might be required and that, as presently proposed, the Bonds would not be redeemable prior to maturity except for purposes of the sinking fund.

The Company submitted a balance sheet as at July 31, 1974, actual and pro formed for the sale of these securities. Exhibits were also submitted showing: disposition of proceeds; estimated expenses of the issues; and capital structure as at July 31, 1974 and pro formed for the sale of these securities. Projected financing requirements and estimated construction expenditures were outlined in testimony. A certified copy of authorizing votes of the Company's Board of Directors, and a copy of the Registration Statement filed with the Securities and Exchange Commission were put in evidence at the hearing.

Upon investigation and consideration, the Commission is satisfied that the proceeds from the proposed financing will be expended to pay off a portion of the short-term notes outstanding at

the time of the sale, the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the petitioner's business, and finds that the issue and sale of these securities will be consistent with the public good.

Our order will issue authorizing the issuance and sale of not exceeding one million (1,000,000) shares of Common Stock, \$5 par value, and not exceeding twenty-five million dollars (\$25,000,000) of First Mortgage Bonds, to be sold through negotiated sales to underwriters who will make public offerings thereof, such sales to be at prices and on terms to be submitted to this Commission after negotiation, requiring a supplemental approval order before issue; and the mortgaging of the petitioner's present and future property as security for said Bonds.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell not exceeding one million (1,000,000) shares of its Common Stock, \$5 par value, for cash in accordance with the foregoing report and as set forth in its petition; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell not exceeding twenty-five million dollars (\$25,000,000) of its First Mortgage Bonds, Series T, for cash in accordance with the foregoing report and as set forth in its petition; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to mortgage its present and future property, tangible and intangible including franchises, as security for the First Mortgage Bonds; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire shall submit to this Commission the purchase price of said Common Stock and the principal amount, purchase price, rate of interest and term of said First Mortgage Bonds. Following this required submission, a Supplemental Order will issue approving the terms of the issue and sale of the securities, including the price of said Common Stock and the principal

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amount, price, interest rate and term of the First Mortgage Bonds; and it is

FURTHER ORDERED, that the proceeds from the sale of said securities shall be used for the purpose of discharging and repaying outstanding short-term obligations of said Company, or for other lawful corporate purposes; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire furnish this Commission with copies of any amendments to its Registration Statements filed with the Securities and Exchange Commission; and it is

FURTHER ORDERED, that on January first and July first in each year, Public Service Company of New Hampshire shall file with this Commission a detailed statement, duly sworn by its financial Vice President or its Treasurer, showing the disposition of said securities being

authorized until the expenditure of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this eighth day of October, 1974.

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NH.PUC*10/11/74*[77387]*59 NH PUC 293*William and Andrea Griffin

[Go to End of 77387]

Re William and Andrea Griffin

DE 74-188, Order No. 11,598

59 NH PUC 293

New Hampshire Public Utilities Commission

October 11, 1974

GRANT of authority to private citizens to install underwater cables.

CONSTRUCTION AND EQUIPMENT, § 5 — Submarine cables — Private citizens.

[N.H.] Private citizens were allowed to install and maintain an underwater cable in public waters between private properties.

BY THE COMMISSION:

Order

WHEREAS, by petition filed October 7, 1974, William and Andrea Griffin seek a license pursuant to RSA 371:17 — 20 to install and maintain an underwater cable across Lake Winnepesaukee in the Town of Meredith; and

WHEREAS, the petitioner represents that the proposed construction will cross approximately 330 feet of the lake from pole No. 46/317XA1 on private property of Richard Skujins and Stanley Eisenhard, Jr. on Meredith Neck to private property of William and Andrea Griffin on Ledge Island and will provide service to the said William and Andrea Griffin; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all the facts before the Commission, it is found that the proposed construction is necessary to meet the reasonable requirements of the petitioner and that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is, granted to William and Andrea Griffin to install and maintain an underwater cable under Lake Winnepesaukee in the Town of Meredith, all in

accordance with the above description which is contained on a plan on file at the office of the Commission.

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By order of the Public Utilities Commission of New Hampshire this eleventh day of October, 1974.

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NH.PUC*10/11/74*[77388]*59 NH PUC 294*New Hampshire Electric Cooperative, Inc.

[Go to End of 77388]

Re New Hampshire Electric Cooperative, Inc.

I-R14,272, Order No. 11,599

59 NH PUC 294

New Hampshire Public Utilities Commission

October 11, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a land developer.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 20 with Philip W. Look, d/b/a 175 Estates, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this eleventh day of October, 1974.

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NH.PUC*10/11/74*[77389]*59 NH PUC 294*New Hampshire Electric Cooperative, Inc.

[Go to End of 77389]

Re New Hampshire Electric Cooperative, Inc.

I-R14,273, Order No. 11,600

59 NH PUC 294

New Hampshire Public Utilities Commission

October 11, 1974

APPROVAL of a special rate contract between an electric cooperative and a private citizen.

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BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 31 with Finn M. W. Casperson, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this eleventh day of October, 1974.

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NH.PUC*10/15/74*[77390]*59 NH PUC 295*Public Service Company of New Hampshire

[Go to End of 77390]

Re Public Service Company of New Hampshire

DE 74-185, Order No. 11,602

59 NH PUC 295

New Hampshire Public Utilities Commission

October 15, 1974

PETITION by an electric company to extend its service lines and operate as a public utility therein; granted.

SERVICE, § 198 — Extension — Electric — Waiver of franchise rights.

[N.H.] The commission allowed an electric company to extend its lines and service into a

limited area of a town for the purpose of housing its transmission lines and substations where another electric company had waived its franchise rights in that area.

BY THE COMMISSION:

Order

WHEREAS, the Public Service Company of New Hampshire, by petition filed August 9, 1974 seeks authority pursuant to RSA 374:22-26 to engage in business as an electric public utility in a limited area in the Towns of Danville and Kingston for the purpose of constructing, operating and maintaining two 115 KV electric transmission lines and a substation; and further, in a limited area in the Town of Danville, to construct, operate and maintain a short length of 34.5 KV electric line and a metering house together with facilities and apparatus associated therewith; and

WHEREAS, the Exeter & Hampton Electric Company has waived its franchise rights in this limited area; and

WHEREAS, after investigation and consideration the Commission is of the opinion that the granting of the petition will be for the public good; it is

ORDERED, that authority be, and hereby is, granted to the Public Service Company of New Hampshire to engage in business as an electric public utility in a limited area in the Towns of Danville and Kingston for the purpose of constructing, operating, and maintaining two 115KV electric transmission lines and a substation; and further, in a

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limited area in the Town of Danville, to construct, operate and maintain a short length of 34.5 KV electric line and a metering house together with facilities and apparatus associated therewith; and more particularly bounded and described as follows:

Danville and Kingston: Two 115 KV transmission lines and substation, said substation being located near Mill Road in Kingston and said lines being located within a strip of land 160 feet in width extending 80 feet either side of a center line described as follows: Beginning near an angle in the Petitioner's Schiller-Scobie 115 KV electric transmission lines located in the northwesterly corner of the Town of Danville; thence extending South 30 degrees East, about two (2) miles to a point westerly of Route 111A; thence extending South 75 degrees East, about one and two-tenths (1.2) miles to a point westerly of Pond Road, so-called; thence extending south 30 degrees East, about two and five-tenths (2.5) miles, crossing the Danville-Kingston town line, to a substation and point of interconnection with the system of Exeter and Hampton Electric Company in the vicinity of Mill. Road, so-called, all the distances and bearings being approximate.

For all of its length except the most southerly one-half mile, this strip of land overlaps about 60 feet on the proposed right-of-way for the 345 KV lines associated with the Petitioner's Seabrook Station approved by the Commission and the Site Evaluation Committee in Order No. 11,267, dated January 29, 1974.

Danville: A 34.5 KV electric line and metering house on a strip of land 100 feet in width extending 50 feet either side of a center line described as follows: Beginning at a point on the Danville-Hampstead town line, said point being located about 215 feet northwesterly measuring along said town line from Brown Hill Road, so-called; thence running North 53 degrees East, about 275 feet to the location of a small metering house.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of October, 1974.

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NH.PUC*10/16/74*[77391]*59 NH PUC 296*Public Service Company of New Hampshire

[Go to End of 77391]

Re Public Service Company of New Hampshire

DF 74-171, Supplemental Order No. 11,603

59 NH PUC 296

New Hampshire Public Utilities Commission

October 16, 1974

PETITION by an electric company for authority to issue and sell common stock and first mortgage bonds; granted.

SECURITY ISSUES, § 95 — Stock and bonds — Approval — Underwriters.

[N.H.] The commission approved a company's proposed price, interest rate and terms for the issuance of common stock and first mortgage bonds through underwriters.

BY THE COMMISSION:

Supplemental Order

WHEREAS, our Order No. 11,592, dated October 8, 1974 (59 NH PUC 291), issued in the above entitled proceeding, authorized Public Service Company of New Hampshire, inter alia, to issue and sell not exceeding one

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million (1,000,000) shares of Common Stock, five dollars (\$5) par value, subject to further order of this Commission; and

WHEREAS, in compliance with said Order No. 11,592, following negotiations with underwriters, the Company has submitted to this Commission the details concerning the number

of shares to be sold and the price and method of sale of said Common Stock, which contemplate the issue and sale of one million (1,000,000) shares of said Common Stock by the Company to underwriters who will make a public offering thereof, as set forth in the Underwriting Agreement between the Company and the underwriters, a copy of which is to be filed with the Commission, said Common Stock to be sold at a price to the Company of eleven dollars and fourteen cents (\$11.14) per share; and

WHEREAS, after due consideration, it appears that the issue and sale of the Common Stock upon the terms, including the price, hereinabove set forth or referred to, is consistent with the public good; and

WHEREAS, said Order No. 11,592 also authorized Public Service Company of New Hampshire, inter alia, to issue its First Mortgage Bonds, Series T, in the principal amount of not exceeding twenty-five million dollars (\$25,000,000) subject to further order of this Commission; and

WHEREAS, in compliance with said Order No. 11,592 following negotiations with underwriters, the Company has submitted to this Commission details concerning the principal amount of said Bonds to be sold, the price thereof, the interest rate thereon, and the term thereof, said principal amount being twenty-five million dollars (\$25,000,000), said price being ninety eight and sixty-five one hundredths percent (98.65%) of the principal amount, said interest rate being twelve and three quarters percent (123/4%) per annum, said term being seven (7) years from October 15, 1974, all in accordance with the Underwriting Agreement, a copy of which is to be filed with the Commission, establishing a cost of money to the Company of thirteen and five one hundredths percent (13.05%) to maturity; and

WHEREAS, after due consideration, it appears that the issue and sale of the Bonds hereinabove described under the terms and conditions of the Company's First Mortgage, dated as of January 1, 1943, together with all Indentures supplemental thereto, including the Twenty-First Supplemental Indenture, dated as of October 15, 1974, upon the terms, including the price, interest rate, and term hereinabove set forth or referred to, is consistent with the public good; it is

ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell at a price of eleven dollars and fourteen cents (\$11.14) per share in cash one million (1,000,000) shares of its Common Stock, five dollars (\$5) par value, said Stock to be sold at said price of eleven dollars and fourteen cents (\$11.14) per share to underwriters who will make a public offering thereof, as set forth in the Underwriting Agreement between the Company and the underwriters; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell for cash its First Mortgage Bonds, Series T due 1981, in the principal amount of twenty-five million dollars (\$25,000,000) at a price of ninety-eight and sixty-five one hundredths percent (98.65%) of the principal amount, said Bonds to bear interest at the rate of twelve and three quarters percent (12 3/4%) per annum; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to mortgage its present and future property, tangible and intangible including franchises, as security for the Bonds hereinabove authorized; and it is

FURTHER ORDERED, that all other provisions of said Order No. 11,592 of this

Commission are incorporated herein by reference.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of October, 1974.

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NH.PUC*10/22/74*[77392]*59 NH PUC 298*New Hampshire Electric Cooperative, Inc.

[Go to End of 77392]

Re New Hampshire Electric Cooperative, Inc.

I-R14,291, Order No. 11,605

59 NH PUC 298

New Hampshire Public Utilities Commission

October 22, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a real estate development.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 36 with Ledgewood Properties, Inc. d/b/a Pierce Brook Estates, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of October, 1974.

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NH.PUC*10/22/74*[77393]*59 NH PUC 298*New Hampshire Electric Cooperative, Inc.

[Go to End of 77393]

Re New Hampshire Electric Cooperative, Inc.

I-R14,292, Order No. 11,606

59 NH PUC 298

New Hampshire Public Utilities Commission

October 22, 1974

APPROVAL of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 38 with Clifford Eaves, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto

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which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of October, 1974.

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NH.PUC*10/22/74*[77394]*59 NH PUC 299*New Hampshire Electric Cooperative, Inc.

[Go to End of 77394]

Re New Hampshire Electric Cooperative, Inc.

I-R14,293, Order No. 11,607

59 NH PUC 299

New Hampshire Public Utilities Commission

October 22, 1974

APPROVAL of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSIONS:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc. a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract

No. 39 with Lawrence Stearns, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of October, 1974

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NH.PUC*10/23/74*[77395]*59 NH PUC 299*New England Telephone and Telegraph Company

[Go to End of 77395]

Re New England Telephone and Telegraph Company

I-E14,296, Order No. 11,612

59 NH PUC 299

New Hampshire Public Utilities Commission

October 23, 1974

ORDER replacing toll charges between two exchanges with extended local service.

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SERVICE, § 445 — Telephone — Extended area service — Effective date — Deferral of case.

[N.H.] The commission validated a telephone company's original effective date for extended local service despite the fact that a work stoppage had caused the case to be deferred past the date set for meeting the statutory notice period.

BY THE COMMISSION:

Order

WHEREAS, New England Telephone and Telegraph Company as of October 9, 1974 filed Part II — Local, Section 1, 39th Revised Page 8 of its tariff, NHPUC No. 70, providing for the establishment of extended local service between the Plymouth and Meredith exchanges, effective October 25, 1974; and

WHEREAS, a work stoppage involving a supplier of necessary equipment had earlier made doubtful the Company's ability to provide this service as of October 25, 1974, causing the filing

to be deferred past a date which would allow 30-days statutory notice; and

WHEREAS, the work stoppage has since been terminated and the Company has been successful in making the necessary arrangements to provide the service as of the committed date; and

WHEREAS, this service will be provided without affecting the present rates for main telephone exchange service in either exchange, and will eliminate toll charges between these two exchanges, thus being in the public interest; it is

ORDERED, that Part II — Local, Section 1, 39th Revised Page 8 of New England Telephone and Telegraph Company tariff, NHPUC No. 70 be, and hereby is, permitted to become effective October 25, 1974 on less than statutory notice.

By order of the Public Utilities Commission of New Hampshire this twenty-third day of October, 1974.

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NH.PUC*10/23/74*[77396]*59 NH PUC 300*Northern Utilities, Inc.

[Go to End of 77396]

Re Northern Utilities, Inc.

I-R14,295, Order No. 11,624

59 NH PUC 300

New Hampshire Public Utilities Commission

October 23, 1974

ACCEPTANCE of a special rate contract between a gas company and a laundry.

BY THE COMMISSION:

Order

WHEREAS, Northern Utilities, Inc., a utility selling gas under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 24 with Kittery Laundry, Inc., d/b/a Colonial Cleaners effective October 1, 1974 for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto, which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

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By order of the Public Utilities Commission of New Hampshire this twenty-third day of

October, 1974.

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NH.PUC*10/25/74*[77397]*59 NH PUC 301*Gas Service, Inc.

[Go to End of 77397]

Re Gas Service, Inc.

DR 74-190, Supplemental Order No. 11,628

59 NH PUC 301

New Hampshire Public Utilities Commission

October 25, 1974

DISMISSAL of a suspended temporary gas price adjustment.

RATES, § 303 — Gas price adjustment — Suspension of supplier's rates.

[N.H.] The commission dismissed a petition for a temporary gas price adjustment where the cause of the adjustment, the supplier's filing of a rate increase, had been suspended by the Federal Power Commission.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Gas Service, Inc. a public utility engaged in the business of supplying gas service in the State of New Hampshire, on September 18, 1974, filed with this Commission Supplement Nos. 16 (Nashua Division) and 17 (Laconia Division) to its tariff, N.H.P.U.C. No. 4 — Gas, providing for a temporary gas price adjustment to become effective November 1, 1974; and

WHEREAS, said request was made due to the fact that Tennessee Gas Pipeline Company, the supplier of Gas Service, Inc. had filed with the Federal Power Commission for a rate increase (Docket No. RP75-13); and

WHEREAS, the Federal Power Commission issued an order dated October 11, 1974 suspending Tennessee Gas Pipeline Company's filing until March 15, 1975; and

WHEREAS, this Commission suspended the tariff filing of Gas Service, Inc. on October 15, 1974 by Order No. 11,601; and

WHEREAS, the suspension by this Commission no longer has any force or effect in view of the action of the Federal Power Commission; it is

ORDERED, that the filing of Gas Service, Inc. be, and hereby is, dismissed without

prejudice.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of October, 1974.

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NH.PUC*10/28/74*[77398]*59 NH PUC 302*Concord Electric Company

[Go to End of 77398]

Re Concord Electric Company

DF 74-183, Order No. 11,630

59 NH PUC 302

New Hampshire Public Utilities Commission

October 28, 1974

PETITION to issue and sell preferred stock; granted.

SECURITY ISSUES, § 96 — Preferred stock — Private negotiation — Repurchase.

[N.H.] An electric company was authorized to issue and sell cumulative preferred stock by private negotiation to five purchasers subject to an agreement that the company would annually offer to repurchase a certain number of shares until the stock was completely repurchased.

APPEARANCES: Eaton W. Tarbell, Jr., for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed September 24, 1974, Concord Electric Company (the "Company"), a corporation duly organized and existing under the Laws of the State of New Hampshire and engaged in the business of supplying electrical power and energy for public and private use in the City of Concord and certain neighboring municipalities, all in said State, seeks authority, pursuant to the provisions of RSA 369, as follows:

To issue and sell for cash 5,000 shares of authorized Cumulative Preferred Stock which shall be of a 12% series, \$100 par value (the "Stock"), to be issued and sold at par to:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

	<i>Shares</i>
State of New Hampshire Retirement Systems	2,500
Colonial Life Insurance Company and/or United Life and Accident Ins. Co.	1,500
New Hampshire Savings Bank	400
Concord Savings Bank	400

Merrimack County Savings Bank	200
TOTAL	<u>5,000</u> =====

At the hearing on the petition, held in Concord on October 15, 1974, the President of the Company testified that the proposed \$100 par value Cumulative Preferred Stock, will be issued at par with a cumulative dividend rate of 12%. The Company proposes to issue a total of 5,000 shares of this Cumulative Preferred Stock to the aforementioned purchasers, subject to an agreement with them that the Company will annually offer to repurchase not less than 263 shares of the issue until it is completely repurchased.

The petitioner further represented that the proceeds of the 5,000 shares of 12% Series Cumulative Preferred Stock would be all applied in reduction of the Company's outstanding short-term bank loans which aggregated \$2,350,000 at August 31, 1974.

The following balance sheet, as of August 31, 1974, proformed to reflect the issue and sale of the 5,000 shares of Cumulative Preferred Stock was submitted by the petitioner:

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[Graphic(s) below may extend beyond size of screen or contain distortions.]

<i>Assets</i>	<i>Actual</i>	<i>Pro Forma Adjustments</i>	<i>Pro Forma</i>
Fixed Capital - Electric (at original cost)	\$ 11,036,667	-	\$ 11,036,667
Less: Reserve for depreciation	2,334,052	-	2,334,052
	<u>8,702,615</u>	<u>-</u>	<u>8,702,615</u>
Net Fixed Capital			
Non-operating Property-less reserve of \$52,506	106,376	-	106,376
	<u>15,500</u>	<u>-</u>	<u>15,500</u>
Miscellaneous Investments (at cost)			
Sinking Fund	590	-	590
	<u>122,122</u>	<u>(15,000)</u>	<u>107,122</u>
Current Assets			
Cash			
Accounts receivable (including installment sales) - less reserve of \$22,277	1,185,665	-	1,185,665
Materials and supplies (at cost or less)	305,831	-	305,831
Prepayments	34,602	-	34,602
	<u>1,648,220</u>	<u>(15,000)</u>	<u>1,633,220</u>
Total Current Assets			
Deferred Debits:			
Unamortized Debt Expense (amortized over terms of securities)	41,555	-	41,555
Other	93,988	-	93,988
	<u>135,543</u>	<u>-</u>	<u>135,543</u>
Total Deferred Debits			

TOTAL	\$10,608,844	(15,000)	\$ 10,593,844
	=====	=====	=====

<i>Liabilities</i>	<i>Actual</i>	<i>Pro Forma Adjustments Pro Forma</i>	
Capitalization:			
Capital Stock and Retained Earnings:			
Non-Cumulative Preferred Stock, \$100 par value, 6% Series: Authorized and outstanding 2,250	225,000	-	225,000
Cumulative preferred stock, \$100 par value authorized 15,000 shares 8.70% Series: 5,000 shares outstanding	500,000	-	500,000
12% Series 5,000 shares outstanding	-	\$ 500,000	500,000
Common stock, no par value Authorized 250,000 shares outstanding; 100,000 shares	1,100,010	-	1,100,010
Capital Stock expense	(15,218)	(15,000)	(30,218)
Retained earnings	1,599,806	-	1,599,806
Total Capital Stock and Retained Earnings	\$ 3,409,598	\$ 485,000	\$ 3,894,598

<i>Liabilities</i>	<i>Actual</i>	<i>Pro Forma Adjustments Pro Forma</i>	
Long-Term Debt:			
First-Mortgage, Series B, 4 3/8% Bonds, due September 15, 1988	920,000	-	920,000
First-Mortgage, Series C, 6 3/4% Bonds, due January 15, 1998	1,584,000	-	1,584,000
First-Mortgage, Series D, 8.70% Bonds, due November 15, 2001	1,000,000	-	1,000,000
Total	3,504,000	-	3,504,000
Less: Installments due within one year	36,000	-	36,000
Total Long-Term Debt	3,468,000	-	3,468,000
Total Capitalization	6,877,598	485,000	7,362,598
Current and Accrued Liabilities:			
Long-Term debt due within one year	36,000	-	36,000
Notes Payable to banks	2,350,000	(500,000)	1,850,000
Accounts Payable	508,586	-	508,586
Customers' deposits	30,270	-	30,270
Taxes accrued	260,444	-	260,444
Interest accrued	70,070	-	70,070
Miscellaneous accruals	97,438	-	97,438
	3,352,808	(500,000)	2,852,808
Deferred Credits:			
Unamortized investment tax credit	96,823	-	96,823

Accumulated Deferred Fed. inc. tax	71,920	-	71,920
Contributions in Aid to Construction	209,695	-	209,695
TOTAL	\$10,608,844	(15,000)	\$10,593,844
	=====	=====	=====

The petitioner has agreed to submit to the Commission certified copies of the required corporate authorizations for the securities in question and copies of the final Purchase and Sale Agreements.

Upon consideration of the evidence submitted, this Commission is satisfied that the proceeds of the Cumulative Preferred Stock proposed herein will be applied to partially redeem the Company's outstanding Short-Term Notes, the proceeds of which have been expended to pay for plant additions already made, such additions and improvements being of a kind reasonably requisite to the conduct of the petitioner's public utility business and for other lawful corporate purposes.

The Commission finds that the issue of Cumulative Preferred Stock upon the terms proposed is consistent with the public good. Our order, authorizing the issue and sale of the Company's Cumulative Preferred Stock, will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Concord Electric Company be, and hereby is authorized to issue and sell for cash five thousand (5,000) shares of authorized Cumulative Preferred Stock to be of twelve percent (12%) Series, one hundred dollar (\$100) par value, to be issued and sold by private negotiation at par to five purchasers, such shares to be issued and sold in accordance with the terms and conditions set forth in the petition herein or as presented at the hearing; and it is

FURTHER ORDERED, that the proceeds from the sale of said Cumulative Preferred Stock be applied solely in reduction of the Company's outstanding Short-Term loans; and it is

FURTHER ORDERED, that on January first and July first in each year, Concord

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Electric Company file with this Commission a detailed statement, duly sworn to by its Treasurer, showing the disposition of the proceeds of the sale of the Cumulative Preferred Stock until the whole of such proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of October, 1974.

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NH.PUC*11/12/74*[77399]*59 NH PUC 305*Claremont Gas Light Company

[Go to End of 77399]

Re Claremont Gas Light Company

I-F14,151, Supplemental Order No. 11,640

59 NH PUC 305

New Hampshire Public Utilities Commission

November 12, 1974

AUTHORIZATION for a gas company to issue short-term notes in excess of the amount last allowed.

BY THE COMMISSION:

Supplemental Order

Whereas, Claremont Gas Light Company on November 7, 1974 sought authority pursuant to RSA 369 to issue its Short-term Note, or Notes, in an amount not exceeding sixty thousand dollars (\$60,000) to be secured by a Mortgage against its property, which amount is in excess of the amount allowed under Commission Order No. 7446; and

WHEREAS, sufficient supporting data was submitted or available to adjudicate the merit thereof; and

WHEREAS, this Commission after investigation and consideration finds that the issuance of said Note, or Notes, and the Mortgage of its property as security, is consistent with the public good; it is

ORDERED, that Claremont Gas Light Company be, and hereby is, authorized to issue and sell for cash its Short-term Note, or Notes, payable within twelve months after the date thereof, in an aggregate principal amount not in excess of sixty thousand dollars (\$60,000), said note, or notes, to bear interest at a rate or rates based on the prime rate of the lending bank or banks; and it is

FURTHER ORDERED, that Claremont Gas Light Company be, and hereby is, authorized to mortgage its present and future properties, tangible and intangible, including franchises as security for said Note, or Notes; and it is

FURTHER ORDERED, that on or before January first and July first of each year, Claremont Gas Light Company shall file with this Commission a detailed statement duly sworn to by its Treasurer, showing the disposition of the proceeds of the Note, or Notes, herein authorized until the expenditure of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twelfth day of November, 1974.

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NH.PUC*11/13/74*[77400]*59 NH PUC 306*New Hampshire Electric Cooperative, Inc.

[Go to End of 77400]

Re New Hampshire Electric Cooperative, Inc.

DF 74-164, Order No. 11,641

59 NH PUC 306

New Hampshire Public Utilities Commission

November 13, 1974

AUTHORIZATION for an electric cooperative to secure a loan from the Rural Electrification Administration.

SECURITY ISSUES, § 111 — Financing methods — U.S. Government — Purposes.

[N.H.] An electric cooperative was allowed to borrow from the United States government where the commission found it would be the most economical financing available and was necessary for system and distribution improvements.

APPEARANCES: Mayland H. Morse, Jr. for the petitioner.

BY THE COMMISSION:

Report

This unopposed petition filed August 15, 1974 and upon which a hearing was held at the office of the Commission in Concord on October 31, 1974 as a joint hearing before the Public Utilities Commission for the State of New Hampshire and the Vermont Public Service Board was filed by a duly organized New Hampshire corporation operating as an electric public utility under the jurisdiction of the Commission.

The New Hampshire Electric Cooperative, Inc. herein seeks authority pursuant to RSA 369 to borrow \$11,442,000 from the United States Government acting through the Rural Electrification Administration. The petitioner submits that the proceeds of the proposed borrowing will be used for system improvements in distribution transmission facilities and general plant improvements.

The New Hampshire Electric Cooperative, Inc. represents that as of June 30, 1974, its ownership was represented by 35,674 members. Its entire long-term debt including interest thereon is represented as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

a. Long Term Debt to REA:	
37 notes in the face amount of	\$28,385,179.59
Less unadvanced funds as at 6/30/74	1,066,740.31
Net amount borrowed	\$27,318,439.28
Repayment to date applicable to said notes	4,850,637.23
Net Long-term debt 6/30/74	\$22,477,802.05
Add: Unadvanced funds	1,066,740.31
	<hr/>

Long-term debt 6/30/74	\$23,544,542.36
Accrued and deferred interest (not due)	202,794.66
	<hr/>
	\$23,747,337.02
b. Long Term Debt to Plymouth Guaranty Savings Bank, Plymouth, New Hampshire	
1 note in the face amount of	\$ 300,000.00
Repayment to date applicable to said note	21,076.01
	<hr/>
Net Long-term debt 6/30/74	\$ 278,923.99

There are no short-term notes outstanding.

The \$11,442,000 would be advanced against the security of the petitioner's notes. Those payable to the REA in 35 years would

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bear interest at the rate of 5% per annum. That portion of the borrowing that may require allocation under the REA formula to the National Rural Utilities Cooperative Finance Corporation or other borrowing agency would be represented by notes bearing interest at the rate of 7% per annum or such other interest rate as later amended. All notes would be issued and secured under the Cooperative's mortgage to the United States of America dated January 1, 1969 and loan contracts and notes subsequent thereto and secured thereunder.

The Cooperative proposes to accommodate its requirements with the aggregate borrowing of \$11,442,000 by acquiring said loan proceeds in whole or in part, and issued against and secured by a Note or Notes of the Cooperative to be given at various dates and amounts, as said loan funds may become available from the United States Government through its Rural Electrification Administration agreeable to the provisions of the Rural Electrification Act.

For the period of July 1, 1974 to June 30, 1976 the Cooperative proposes to expend for system improvements, additions and extensions to its existing facilities from the proceeds of the proposed loan approximately the following:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

1. Distribution	
A. New Services	\$ 3,273,840.00
B. New Tie Lines	273,900.00
C. Conversion and Line Change	3,692,300.00
D. New Substation or meter points	345,700.00
E. Increased substation capacity	1,279,300.00
F. Miscellaneous Distribution Equipment	1,622,500.00
G. Engineering for Distribution	292,000.00
	<hr/>
Total for Distribution	\$10,779,540.00
2. Transmission	530,000.00
3. General Plant	190,000.00
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Total Loan Requirements	\$11,449,540.00
Less: previous loan funds available	54,574.00
	<hr/>
Net New Loan Requirements	\$11,441,966.00
Rounded to nearest 1M	\$11,422,000.00

The proposed expenditures are based upon a comprehensive survey made by an independent

and reputable consulting firm that has been long familiar with the petitioner's functions, property and service demands. A detailed system study was submitted as evidence by the by the petitioner as a basis for system improvements summarized and set forth above. Testimony of engineering and managerial personnel of the petitioner supported the conclusions of the independent study and confirmed the need for system improvements in the public interest.

Upon investigation and consideration of the evidence submitted, this Commission is of the opinion that the construction and system and distribution improvements planned by the petitioner are necessary and are of a type which will expand and improve its service to the public and that the financing thereof as proposed herein is probably the most economical that can be obtained. We find that the granting of the approval of the authority requested in this petition will be in the public interest. Our order will issue accordingly.

Order

Upon consideration of the foregoing report which is made a part hereof; it is

ORDERED, that the New Hampshire Electric Cooperative, Inc. be and hereby is authorized to issue and sell for cash an aggregate principal amount not in excess of \$11,442,000 of its mortgage notes to the United States Government, acting through the Rural Electrification Administration in its relationship with the Cooperative Finance Corporation or such other related lending agency whereby said note or notes shall become payable not more than 35 years from the date of issue and will bear interest at the rate of 5% per annum to those representing direct borrowing from the Rural Electrification Administration and at the rate of 7% per annum or at such other amended interest rate

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as may be required by National Rural Utilities Cooperative Finance Corporation or other lending agency; and it is

FURTHER ORDERED, that said note or notes be issued and secured under a New Hampshire Electric Cooperative, Inc. mortgage to the United States of America dated January 1, 1969 and loan contracts subsequent and supplemental thereto including National Rural Utilities Cooperative Finance Corporation dated May 1, 1974; and it is

FURTHER ORDERED, that the aggregate borrowing of \$11,442,000 be executed and accomplished by the New Hampshire Electric Cooperative, Inc. issuing its note or notes for the whole amount or a part thereof at various dates and amounts, as said loan funds may become available from the United States Government through its Rural Electrification Administration and any adjunct lending agency or subdivision thereof; and it is

FURTHER ORDERED, that the proceeds from said note or notes be used by the New Hampshire Electrical Cooperative, Inc. for system improvements; for additions and extensions to its existing system; and to reimburse its treasury for moneys expended for other such additions and extensions; and it is

FURTHER ORDERED, that on January first and July first of each year, said New Hampshire Electric Cooperative, Inc. shall file with this Commission a detailed statement duly sworn by its Treasurer showing the disposition of the proceeds of such notes as shall have been authorized by

this Commission until the expenditures of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of November, 1974.

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NH.PUC*11/19/74*[77401]*59 NH PUC 308*Anco Corporation

[Go to End of 77401]

Re Anco Corporation

DE 74-124, Supplemental Order No. 11,647

59 NH PUC 308

New Hampshire Public Utilities Commission

November 19, 1974

APPROVAL of a water company's rates and terms of service in order to confer upon it public utility status.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Order No. 11,517 of this Commission, dated August 5, 1974 (59 NH PUC 246), authorized Anco Corporation to transfer its facilities to Meeting House Brook Estates Water Company, effective September 30, 1973, and for Anco to discontinue operations as a public water utility; and

WHEREAS, our Order No. 11,517 also authorized Meeting House Brook Estates Water Company to operate as a public utility in a limited area in the town of Pembroke, conditioned upon the filing of certain data required by this Commission; and

WHEREAS, this data has been filed, thus complying with the conditions set forth in Order No. 11,517; it is

ORDERED, that the Meeting House Brook Estates Water Company tariff, NHPUC No. 1 — Water, setting forth its rates and terms and conditions of service shall become effective with all current bills rendered on and after the date of this supplemental order.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of November, 1974.

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NH.PUC*11/19/74*[77402]*59 NH PUC 309*Public Service Company of New Hampshire

[Go to End of 77402]

Re Public Service Company of New Hampshire

I-R14,311, Order No. 11,648

59 NH PUC 309

New Hampshire Public Utilities Commission

November 19, 1974

PETITION for a waiver of the statutory notice period in a rate reduction case; granted.

RATES, § 249 — Effective date — Waiver of notice period — Reduced rates.

[N.H.] The commission found the public interest in receiving immediate rate decreases in outdoor lighting bills outweighed the statutory notice requirement, and it allowed the electric company to effectuate the reduced rates at once.

Order

WHEREAS, Public Service Company of New Hampshire, a duly organized New Hampshire corporation operating as an electric public utility under the jurisdiction of this Commission, on November 14, 1974 filed 2nd Revised Page 28 to its tariff, N.H.P.U.C. No. 18, requesting a waiver of the 30-day statutory notice requirement (RSA 378:3) so that said page may become effective as of November 14, 1974 in order to permit lower rates for disconnected annual outdoor lighting units; and

WHEREAS, said tariff page is for the purpose of correcting an error producing a higher rate set forth in 1st Revised Page 28 of tariff N.H.P.U.C. No. 18 which became effective October 1, 1974 after the 30-day statutory filing period; and

WHEREAS, the Company proposes to send corrective bills to customers previously billed under the higher rate upon the revised rate becoming effective; and

WHEREAS, the immediate availability of such lower rates, including the proposed corrective action, will be in the public interest as it affects those customers wishing to take advantage thereof; it is

ORDERED, that 2nd Revised Page 28 of tariff N.H.P.U.C. No. 18 providing that the monthly charge for all disconnected luminaires will be billed at 80% of the normal charge, except that 100,000 lumen metal halide luminaires will be billed at 75% of the normal charge be, and hereby is, permitted to become effective November 14, 1974 upon less than statutory notice, superseding 1st Revised Page 28, N.H.P.U.C. No. 18 which provides that all luminaires will be billed at 85% of normal charge; and it is

FURTHER ORDERED, that a public hearing will be held upon a request made within thirty (30) days of the date of this order by any interested party, at which time evidence submitted by

the Company may be further examined, and such further evidence that any interested party may wish to offer will be received; and it is

FURTHER ORDERED, that public notice of these reduced rates be given by publication of this order by the Company in a newspaper having general circulation in the territory served, immediately upon receipt of this order.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of November, 1974.

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NH.PUC*11/19/74*[77403]*59 NH PUC 310*Public Service Company of New Hampshire

[Go to End of 77403]

Re Public Service Company of New Hampshire

DE 74-218, Order No. 11,649

59 NH PUC 310

New Hampshire Public Utilities Commission

November 19, 1974

LICENSE granted to an electric company to install submarine cables in public waters.

ELECTRICITY, § 6 — Cables — Underwater.

[N.H.] An electric company was authorized to construct submarine cables in public waters where it was found to be necessary for service to the general public.

BY THE COMMISSION:

Order

WHEREAS, by petition filed November 7, 1974, Public Service Company of New Hampshire seeks a license pursuant to RSA 371:17 — 20 to install and maintain an electric submarine cable across Kingswood Lake (Cooks Pond) in the Town of Brookfield; and

WHEREAS, the petitioner represents that the proposed construction will cross approximately 2,800 feet of the lake from pole No. 398/17 on private property of R. Wood to private property of M. Jordan and will provide service to the general public; and

WHEREAS, following due notice no other interested parties recorded any objections to the proposed construction and upon investigation of all the facts before the Commission, it is found that the proposed construction is necessary to meet the reasonable requirements of the petitioner and that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights and the waters crossed; it is

ORDERED, that a license be, and hereby is, granted to Public Service Company of New Hampshire to install and maintain an electric submarine cable under Kingswood Lake (Cooks Pond) in the town of Brookfield, all in accordance with the above description which is contained on a plan on file at the office of the Commission.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of November, 1974.

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NH.PUC*11/22/74*[77404]*59 NH PUC 310*Manchester Gas Company

[Go to End of 77404]

Re Manchester Gas Company

DR 74-70, Supplemental Order No. 11,651

59 NH PUC 310

New Hampshire Public Utilities Commission

November 22, 1974

APPLICATION by a gas company for an increase in rates; granted as modified.

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1. RATES, § 120.1 — Test year — Depressed period.

[N.H.] The test year chosen by a gas company was a period of depressed revenues due to a warm heating season, conservation efforts and the general economic slowdown. p. 311.

2. RETURN, § 26.4 — Cost of common equity — Spot yield — Current market trends.

[N.H.] In determining the rate of return on common equity, the commission rejected the addition of a spot yield to calculations and ordered an analysis of current market trends and conditions used instead. p. 312.

3. VALUATION, § 25 — Date of valuation — Customer deposits — Construction work in progress.

[N.H.] The commission disallowed a company's use of a year-end rate base and deducted customer deposits and construction work in progress from rate base as well. p. 312.

4. EXPENSES, § 49 — Pensions — Calculations for future.

[N.H.] A pension plan adjustment was disallowed because it would only take effect in the future and the amounts involved could not be accurately calculated. p. 312.

5. EXPENSES, § 19 — Property taxes — Insurance — Actual costs versus estimates.

[N.H.] Where actual property tax and insurance bills exceeded company estimates, the commission allowed adjustments to reflect the changes. p. 313.

6. DEPRECIATION, § 6 — Right to allowance — Calculations for future.

[N.H.] A gas company's proposed pro forma increase in depreciation expense was rejected because of the difficulty in calculating future depreciation. p. 313.

7. RATES, § 143 — Reasonableness — Cost of service — Conservation incentive rates.

[N.H.] Higher rates for larger consumers, used as an incentive for conservation, were rejected where the commission asserted that rates should not be set to control use patterns but to reflect cost of service. p. 313.

8. RATES, § 303 — Fuel clauses — Cost of gas adjustment — Purposes.

[N.H.] Because of rapidly changing price patterns, the commission found it to be in the public interest to allow a company to implement a cost of gas adjustment to reflect price increases without disturbing permanent rates. p. 313.

APPEARANCES: John R. McLane for the petitioner.

BY THE COMMISSION:

Report

These proceedings were initiated on April 8, 1974 when Manchester Gas Company (the Company) filed with this Commission Original Pages 17 — 25, Fifth Revised Pages 13 and 14 and Sixth Revised Page 12 of its tariff, N.H.P.U.C. No. 12-Gas, providing for an increase in annual gross revenues of approximately \$517,000.

This Commission suspended the effective date of this proposed increase, pending investigation and decision, by Order No. 11,390 dated April 24, 1974.

Public hearings on these proceedings were held on September 19, October 9 and October 29, 1974 at the Commission office.

At the initial hearing the Company increased its request for higher rates to approximately \$641,000 and indicated that, due to mathematical errors in its proposed "weather normalization" adjustment, the Company would seek even higher rates.

The Company's rate case submission departed from procedures generally followed by this Commission in important aspects.

The proposed rate base was calculated on year end amounts, rather than average rate base for the test year, construction work in process was included in the proposed rate base and certain projected capital expenditures were added to the proposed rate base.

[1] As the test year, the Company used the twelve months ended June 30, 1974. The Company then proposed numerous and substantial pro forma adjustments to reduce revenue and increase expenses for the test year. The result of these submissions was to materially increase the calculated revenue deficiency.

Viewed in proper perspective the test year was a period of depressed revenues and depressed net utility operating income. The heating season was the warmest in ten years; the effects of conservation efforts, locally and nationally, reduced volume; further, volume was lost due to the economic slowdown. Also, the Company testified that continuing sales

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efforts would contribute to higher sales volume under more normal conditions

I Rate of Return

[2] The Company's witness and Staff agreed on capitalization ratios, the cost of debt and the cost of preferred stock; although the Staff pointed out that the short-term debt was submitted with a cost reflecting the record high rate reached in this Country at a time when short-term rates are receding from this record level.

The Company's witness concluded that a return on common equity within the range of 13% to 14% would suffice.

Staff concluded that the cost of common equity for the Company was in the range of 11% to 12% and recommended that we use the midpoint, 11.5%, in determining the fair rate of return.

The Company's witness submitted data for ten companies which he considered to be comparable to Manchester Gas Company. Staff rejected one of these ten companies as not comparable; Arkansas-Western Gas, whose earnings levels and market price are substantially influenced by its oil and gas exploration efforts, is not comparable to Manchester Gas Company.

We are of the opinion that the procedure used by the Company's witness of adding a spot yield, resulting under conditions quite different from those prevailing in the past, to computed growth rates for the ten years ended in 1973 is not a logical approach.

In our judgement the approach used by Staff with detailed analysis of the data and use of current trends influencing current market conditions produced a realistic range of cost of common equity to this Company.

With continued curtailments of increased supplies of natural gas, with the uncertainties of economic conditions and with the current state of the capital markets we find that the fair rate of return to be used in determining revenue requirements should be calculated using a cost of common equity of 12%. The use of this rate of return, at the high end of a range which we find to be realistic, takes into account the possibilities that factors may arise in future months causing some attrition in the Company's earnings.

We find that the fair rate of return at this time is 9.52% and that this return should enable the Company to attract capital and assure confidence and stability in the financial status of the utility.

In establishing this rate of return we have considered our conclusions in the prior rate case for this Company as to the origin and nature of \$269,512 of capital surplus and we do not in this holding depart from our conclusion in that case.

II Rate Base

[3] The return earned in the test year was related to the average rate base and we see no need in this case to depart from this Commission's usual and logical procedure of use of an average rate base.

We have made two adjustments to the average rate base submitted by the Company. Customer's deposits and construction work in progress have been excluded from the Company's submission. We find the rate base is \$5,415,000, computed as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

Average Rate Base, as submitted by Company	\$5,574,000
LESS: Construction Work in Progress	(35,000)
Customers' Deposits	(124,000)
RATE BASE	\$5,415,000

III Revenue Requirements

Applying the fair rate of return, 9.52%, to the rate base, \$5,415,000, the required net utility operating income becomes \$516,000.

The actual net utility operating income for the test year, prior to adjustments, was \$410,000. We accept some of the pro forma adjustments submitted by the Company and reject or change certain of their proposed adjustments.

[4] The "weather" adjustment was withdrawn by the Company after crossexamination and submission of evidence by the Staff. The pension plan adjustment is rejected on the grounds that it is to take effect in the future and the amounts are conjectural and cannot be accurately determined. The Company failed to prove that its recorded expense for uncollectible accounts was inadequate; the net write-offs for the test year were actually less than the Company's recorded estimates.

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[5] The Company filed actual property tax bills at the final hearing date, which exceeded the original estimates and we, accordingly, have changed this adjustment. Also, at the final hearing, the Company had received the bill for increased liability insurance and we have changed the estimated adjustment to reflect the actual amount.

[6] The Company's proposed adjustment for a pro forma increase in depreciation expense is denied. The reasons for denying a rate base as calculated by the Company applies equally to denying an increase for future depreciation expense.

In general the case as submitted by the Company approached the use of an estimated future period, basically projecting only those aspects of operations which increased the calculated deficiency and ignored factors which would serve to decrease the calculated deficiency. We have not accepted the use of an estimated test year and we do not believe that this case calls for such a procedure.

The revenue deficiency is calculated as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

Net Utility Operating Income	\$410,000
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Pro Forma Adjustments, as submitted by Company	(83,000)	
Adjusted as submitted		\$327,000
Commission Changes		
"Weather Normalization"	\$47,000	
Pension Plan	11,000	
Uncollectible Accounts	10,000	
Real Estate Taxes	(13,000)	
Insurance	(3,000)	
Depreciation	46,000	
Net Commission Changes before Income Taxes	98,000	
LESS: Increased Income Taxes	(51,000)	47,000
Net Utility Operating Income, Pro Forma		\$374,000
Required Net Utility Operating Income		516,000
Required Increase in Net Utility Operating Income		\$142,000
Required Increase in Revenues		\$294,000

IV Rates

[7] The principal features of the revised rates filed by the Company were to increase the General Service Rate (G) and the Domestic and Building Heating Service Rate (D), to cancel the Optional General Heating Service Rate (GH) and to add a Cost of Gas Adjustment Provision to the tariff.

The Company testified that increases in the G and D rates were purposely made larger in the higher consumptions as an inducement to conserve energy, and to raise the price to the level of competitive fuels. This Commission's position is that utility rates should not be set primarily to control use patterns but rather, in general, to reflect cost of service. To accomplish the reduced rates allowed by the Commission in this order, the new rate schedules for the G and D rates which must be developed should adjust the increases in the larger consumptions to more nearly agree with the increases in the lower consumptions, where cost of service so indicates.

The cancellation of the promotional GH rate is desirable.

[8] In response to staff questioning at the hearing the Company agreed to give further study to a simplified cost of gas adjustment provision outlined by the staff, and the Company has filed such a proposal. The cost of gas adjustment is designed to permit two periodic adjustments during an annual twelve month period, one period being the six month winter heating period from November 1 through April 30 and the other a summer period from May 1 through October 31, for the purpose of adjusting for increases or decreases in the cost of gas purchased or produced. During this era of rapidly changing price patterns we find it is in the public interest to provide a mechanism whereby immediate price increases are reflected without being incorporated in permanent rates, and whereby customers are benefited equally by price decreases. This cost of gas adjustment will appropriately accomplish this objective

by post-period adjustments to actual costs.

Accordingly, the tariff pages relating to the G, D and Cost of Gas Adjustment as filed on April 8, 1974 will be rejected for a new filing to be made in line with this Report.

Our order will issue accordingly.

Supplemental Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that original Pages 17 - 25, Fifth Revised Page 14 and Sixth Revised Page 12 of Manchester Gas Company tariff, N.H.P.U.C. No. 12 be, and hereby are, rejected; and it is

FURTHER ORDERED, that new revised tariff pages be filed setting forth new rates for G and D classifications, designed to produce added revenue of two hundred ninety-four thousand dollars (\$294,000) annually; and it is

FURTHER ORDERED, that revised tariff pages be filed setting forth a revised cost of gas adjustment as set forth in the foregoing report; and it is

FURTHER ORDERED, that upon receipt of, and approval of, such revised tariff pages, a supplemental order of authorization be issued.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of November, 1974.

=====

NH.PUC*11/22/74*[77405]*59 NH PUC 314*Grafton Water Company, Inc.

[Go to End of 77405]

Re Grafton Water Company, Inc.

I-E12,830, Order No. 11,652

59 NH PUC 314

New Hampshire Public Utilities Commission

November 22, 1974

EXEMPTION of a water company from public utility statutes.

PUBLIC UTILITIES, § 39 — Status — Limited class — Exemption from statutes.

[N.H.] Since a water company was serving only four customers and had no plans to expand its system to ten or more customers, the commission found the company was exempt from public utility statutes.

BY THE COMMISSION:

Order

WHEREAS, Grafton Water Company, Inc., a central water system furnishing water service

in a limited area in the Town of Grafton, New Hampshire, by a petition filed November 15, 1974 seeks exemption pursuant to the provisions of RSA 362:4, as amended; and

WHEREAS, the petitioner states that he is now furnishing water to four (4) customers, and has no immediate plans for expansion of his system to serve ten (10) or more customers; and

WHEREAS, after investigation and consideration, this Commission is satisfied that the granting of the petition will be for the public good; it is

ORDERED, that exemption pursuant to public utility statutes be, and hereby is, granted to Grafton Water Company, Inc.; and it is

FURTHER ORDERED, that Grafton Water Company, Inc. shall notify this Commission if at some future time it shall expand its water system to serve ten (10) or more customers.

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By order of the Public Utilities Commission of New Hampshire this twenty-second day of November, 1974.

=====

NH.PUC*11/22/74*[77406]*59 NH PUC 315*Pound Road Water Company, Inc.

[Go to End of 77406]

Re Pound Road Water Company, Inc.

I-E13,893, Order No. 11,653

59 NH PUC 315

New Hampshire Public Utilities Commission

November 22, 1974

EXEMPTION of a water company from public utility statutes.

PUBLIC UTILITIES, § 39 — Status — Limited class — Exemption from statutes.

[N.H.] Finding that a water company was serving only four customers and had no plans to expand its system, the commission exempted it from public utility statutes.

BY THE COMMISSION:

Order

WHEREAS, Pound Road Water Works, Inc., a central water system furnishing water service in a limited area in the Town of Wilmot, New Hampshire, by a petition filed November 15, 1974 seeks exemption pursuant to the provisions of RSA 362:4, as amended; and

WHEREAS, the petitioner states that he is now furnishing water to four (4) customers, and has no immediate plans for expansion of his system to serve ten (10) or more customers; and

WHEREAS, after investigation and consideration, this Commission is satisfied that the granting of the petition will be for the public good; it is

ORDERED, that exemption pursuant to public utility statutes be, and hereby is, granted to Pound Road Water Works, Inc.; and it is

FURTHER ORDERED, that Pound Road Water Works, Inc. shall notify this Commission if at some future time it shall expand its water system to serve ten (10) or more customers.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of November, 1974.

=====

NH.PUC*11/25/74*[77407]*59 NH PUC 316*New Hampshire Electric Cooperative, Inc.

[Go to End of 77407]

Re New Hampshire Electric Cooperative, Inc.

I-R14,313, Order No. 11,654

59 NH PUC 316

New Hampshire Public Utilities Commission

November 25, 1974

APPROVAL of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc., a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 40 with Ralph Dana Robinson, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and consistent with the public interest; it is

ORDERED, that said contract may become effective as of the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of November, 1974.

=====

NH.PUC*11/25/74*[77408]*59 NH PUC 316*Concord Natural Gas Corporation

[Go to End of 77408]

Re Concord Natural Gas Corporation

DR 74-208, Order No. 11,655

59 NH PUC 316

New Hampshire Public Utilities Commission

November 25, 1974

ORDER implementing a supplemental gas price adjustment.

RATES, § 303 — Fuel clauses — Uncertain supply costs.

[N.H.] Due to the uncertainty of propane and liquefied natural gas prices and the increased costs associated with their storage, a company was allowed to employ a gas price adjustment.

APPEARANCES: Charles H. Toll, Jr., for the petitioner.

BY THE COMMISSION:

Report

Concord Natural Gas Corporation, on November 1, 1974, filed with this Commission Supplement No. 6 to its tariff, N.H.P.U.C. No. 13 — Gas, providing for a Supplemental Gas Price Adjustment effective December 1, 1974 in the amount of \$.0105 per therm for

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the period of December 1, 1974 through March 31, 1975.

Pursuant to public notice on November 7, 1974, the Commission held a public hearing on November 20, 1974 at its offices in Concord.

The Company explained that the present gas supply situation, as influenced by their contracts with their natural gas supplier, Tennessee Gas Pipeline Company, dictates the need for storage of large quantities of liquid propane and liquefied natural gas (LNG), and for the production of a substantial amount of peak-shaving gas, during the winter heating period.

In order to ensure adequate supplies, the Company has incurred increased costs by leasing 10,000 gallon railroad tank cars to supplement their on-site propane storage. The proposed Supplemental Gas Price Adjustment provides for the collection of these increased costs, and for the added fuel costs of the propane-air and LNG beyond what is included in the basic rates. Any difference in the amounts collected from actual amounts required will be adjusted in customers' billings during April and May. The use of a surcharge as opposed to a change in basic rates stems from the uncertainty of propane and LNG prices and thus assures the payment of no more than the actual cost by the public.

No one appeared in opposition to the Company's proposal.

The Commission finds that the Supplemental Gas Price Adjustment will merely maintain Concord Natural Gas Corporation's necessary earnings level. Our Order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Supplement No. 6 of Concord Natural Gas Corporation tariff N.H.P.U.C. No. 13 — Gas, which was filed on November 1, 1974 providing for a supplemental Gas Price Adjustment of \$.0105 per therm be, and hereby is, authorized to become effective with all current bills rendered on or after December 1, 1974; and it is

FURTHER ORDERED, that Concord Natural Gas Corporation give notice of this Supplemental Gas Price Adjustment by publishing a copy of this order upon receipt in a newspaper having general circulation in the territory served by said Company.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of November, 1974.

=====

NH.PUC*11/25/74*[77409]*59 NH PUC 317*Gas Service, Inc.

[Go to End of 77409]

Re Gas Service, Inc.

DR 74-209, Order No. 11,656

59 NH PUC 317

New Hampshire Public Utilities Commission

November 25, 1974

GRANT of a supplemental gas price adjustment.

RATES, § 303 — Fuel clauses — Uncertain supply costs.

[N.H.] In order to allow only actual increased supply costs to be recovered during a time of fluctuating wholesale rates, a gas company was authorized to implement a gas price adjustment rather than increase permanent rates.

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APPEARANCES: Charles H. Toll, Jr., for the petitioner.

BY THE COMMISSION:

Report

Gas Service, Inc., on October 18, 1974, filed with this Commission Supplement No. 18 (Nashua Division) and 19 (Laconia Division) to its tariff NHPUC No. 4 — Gas, providing for Supplemental Gas Price Adjustments of \$.0073 per therm (Nashua Division) and \$.0012 per therm (Laconia Division) for the period December 1, 1974 through March 31, 1975.

Pursuant to public notice on November 7, 1974, the Commission held a public hearing on November 20, 1974 at its offices in Concord.

The Company explained that the present gas supply situation, as influenced by their contracts with their natural gas supplier, Tennessee Gas Pipeline Company, dictates the need for the production of a substantial amount of peak-shaving gas during the winter heating period.

In order to ensure adequate supplies, the Company will incur increased costs by purchasing propane and liquefied natural gas (LNG) at prices substantially higher than those used in the determination of the basic rates. The proposed Supplemental Gas Price Adjustment provided for the collection of these increased costs. The difference in surcharge rates between the two divisions is due to the fact that the Nashua Division used a higher percentage of peak-shaving gas during the winter heating period.

Any difference in the amounts collected from actual amounts required will be adjusted in customers' billings during April and May. The use of a surcharge as opposed to a change in basic rates stems from the uncertainty of propane and LNG prices and thus assures the payment of no more than the actual cost by the public.

No one appeared in opposition to the Company's proposal.

The Commission finds that the Supplemental Gas Price Adjustment will merely maintain Gas Service, Inc.'s necessary earnings level. Our order will issue accordingly.

Order

Upon consideration of the foregoing report which is made a part hereof; it is

ORDERED, that Supplement No. 18 (Nashua division) and 19 (Laconia Division) of Gas Service, Inc. tariff NHPUC No. 4 — Gas, which was filed on October 18, 1974 providing for a Supplemental Gas Price Adjustment of \$.0073 per therm (Nashua Division) and \$.0012 per therm (Laconia Division) be, and hereby is, authorized to become effective with all current bills rendered on or after December 1, 1974; and it is

FURTHER ORDERED, that Gas Service, Inc give notice of this Supplemental Gas Price Adjustment by publishing a copy of this order upon receipt in a newspaper having general circulation in the territory served by said Company.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of November, 1974.

=====

NH.PUC*11/25/74*[77410]*59 NH PUC 318*Northern Utilities, Inc.

[Go to End of 77410]

Re Northern Utilities, Inc.

DR 74-210, Order No. 11,657

59 NH PUC 318

New Hampshire Public Utilities Commission

November 25, 1974

PETITION for a temporary supplemental gas price adjustment; granted.

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RATES, § 303 — Fuel clauses — Increased supply costs.

[N.H.] Where a company had incurred increased costs in obtaining sufficient liquefied natural gas for the winter heating season, the commission allowed it to pass through those costs in a temporary gas price adjustment.

APPEARANCES: Milton F. Todd, for the petitioner.

BY THE COMMISSION:

Report

The Northern Utilities, Inc., Allied Gas Division, on October 29, 1974 filed with this Commission Supplement No. 8 to its tariff, NHPUC No. 6 — Gas, providing for a temporary Supplemental Gas Price Adjustment effective December 1, 1974 in the amount of \$.0026 per therm for the period December 1, 1974 through March 31, 1975.

Pursuant to public notice on November 7, 1974, the Commission held a public hearing on November 20, 1974 at its offices in Concord.

The Company explained that the present gas supply situations, as influenced by their contracts with their natural gas supplier, Granite State Gas Transmission Company, dictates the need for the purchase and distribution of a substantial amount of liquefied natural gas (LNG) during the winter heating period.

In order to ensure adequate supplies, the Company has incurred increased costs by contracting for sufficient quantities to satisfy their winter season requirements. The proposed temporary Supplemental Gas Price Adjustment provides for the collection of these increased costs. Any difference in the amounts collected from actual amounts required will be adjusted in customers' billings during April and May. The use of a surcharge as opposed to a change in basic rates stems from the uncertainty of LNG prices and thus assures the payment of no more than the actual cost by the public.

No one appeared in opposition to the Company's proposal.

The Commission finds that the temporary Supplemental Gas Price Adjustment will merely

maintain Northern Utilities, Inc., Allied Gas Division's, necessary earnings level. Our orders will issue accordingly.

Order

Upon consideration of the foregoing report which is made a part hereof; it is

ORDERED, the Supplement No. 8 of Northern Utilities, Inc. (Allied Gas Division) tariff NHPUC No. 6 — Gas, which was filed on October 29, 1974 providing for a Temporary Supplemental Gas Price Adjustment of \$.0026 per therm be, and hereby is, authorized to become effective with all current bills rendered on or after December 1, 1974; and it is

FURTHER ORDERED, that Northern Utilities, Inc. (Allied Gas Division) give notice of this Temporary Supplemental Gas Price Adjustment by publishing a copy of this order upon receipt in a newspaper having general circulation in the territory served by said Company.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of November, 1974.

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NH.PUC*11/29/74*[77411]*59 NH PUC 320*Gas Service, Inc.

[Go to End of 77411]

Re Gas Service, Inc.

DR 74-216, Order No. 11,659

59 NH PUC 320

New Hampshire Public Utilities Commission

November 29, 1974

IMPLEMENTATION of a gas price adjustment.

RATES, § 303 — Gas price adjustment clauses — Uncertain supply costs.

[N.H.] The commission accepted a company's revised gas price adjustment to coincide with a permanent gas price adjustment clause in order to provide for the collection of fluctuating supply costs.

APPEARANCES: Charles H. Toll, Jr., for the petitioner.

BY THE COMMISSION:

Report

Gas Service, Inc., Keene Division, on November 13, 1974 filed with this Commission Supplement No. 20 to its tariff, N.H.P.U.C. No. 4 — Gas, providing for a Gas Price Adjustment

effective December 12, 1974 in the amount of \$0.0404 per therm for the period December, 1974 through March, 1975.

Pursuant to public notice on November 21, 1974, the Commission held a public hearing on November 26, 1974 at its offices in Concord.

At the hearing the Company presented First Revised Pages 1 and 2 to Supplement No. 20, which extends the collection period from December, 1974 - March, 1975 to December, 1974 - April, 1975 to coincide with the commencement of a permanent gas price adjustment clause which the Company intends to file to become effective May 1, 1975. Also, the monthly surcharge is revised from \$0.0404 to \$0.0348 per therm to reflect the inclusion of a cost element in the base period which was inadvertently omitted in the original computation.

The Company witness explained that the submission of Supplement No. 20 replaces an earlier submission (Supplement No. 13), filed on June 3, 1974 for a similar price adjustment, which was suspended under Commission Order No. 11,463 in I-R14,244.

After a review of the testimony presented at the hearing, it is determined that a submission of Supplement No. 21, issued in lieu of Supplement No. 20 with revisions is appropriate and in accordance with Commission standards.

Since natural gas is not available in the Keene area, Keene Division's gas distribution system is supplied solely by propane-air gas produced at its plant facilities.

The Company explained that the present gas supply situation dictates the need for the purchase of propane at substantially higher prices than those used in the determination of the basic rates. The proposed gas price adjustment provides for the collection of these increased costs. Any difference in the amounts collected from actual amounts required will be adjusted in subsequent customers' billings. The use of a surcharge as opposed to a change in basic rates stems from the uncertainty of propane prices and thus assures the payment of no more than the actual cost by the public.

No one appeared in opposition to the Company's proposal.

The Commission finds that the gas price adjustment will merely maintain Gas Service, Inc., Keene Division's, necessary earnings level. Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

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ORDERED, that Supplement No. 20 of Gas Service, Inc. (Keene Division) tariff N.H.P.U.C. No. 4 — Gas, which was filed on November 13, 1974 providing for a gas price adjustment of \$0.0404 per therm be, and hereby is, rejected; and it is

FURTHER ORDERED, that Supplement No. 21 of Gas Service, Inc. (Keene Division) tariff N.H.P.U.C. No. 4 — Gas, be filed to provide for a gas price adjustment of \$0.0348 per therm to become effective with all current bills rendered on or after December 12, 1974; and it is

FURTHER ORDERED, that Supplement No. 13 of Gas Service, Inc. (Keene Division) tariff

N.H.P.U.C. No. 4 — Gas which was filed on June 3, 1974 and suspended by Commission Order No. 11,463 in I-R14,244 providing for a gas price adjustment based on earlier data be, and hereby is, rejected; and it is

FURTHER ORDERED, that Gas Service, Inc. (Keene Division) give notice of this gas price adjustment by publishing a copy of this order upon receipt in a newspaper having general circulation in the territory served by said Company.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of November, 1974.

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NH.PUC*12/10/74*[77412]*59 NH PUC 321*Manchester Gas Company

[Go to End of 77412]

Re Manchester Gas Company

DR 74-70, Second Supplemental Order No. 11,664

59 NH PUC 321

New Hampshire Public Utilities Commission

December 10, 1974

SUSPENSION of a commission order pending the outcome of a motion for rehearing on the order.

BY THE COMMISSION:

Second Supplemental Order

The Commission having before it a Motion for Rehearing filed December 3, 1974 for, and on behalf of, Manchester Gas Company for a rehearing on the Commission decision rendered in Order No. 11,651 issued November 22, 1974 (59 NH PUC 310); after full consideration of the allegations in said Motion and after weighing the reasons presented in said Motion, is of the opinion, and the order is, that the order complained of be, and hereby is, suspended pending further consideration and upon such terms and conditions as the Commission may hereafter prescribe.

By order of the Public Utilities Commission of New Hampshire this tenth day of December, 1974.

=====

NH.PUC*12/12/74*[77413]*59 NH PUC 322*New Hampshire Electric Cooperative, Inc.

[Go to End of 77413]

Re New Hampshire Electric Cooperative, Inc.

I-R14,320, Order No. 11,667

59 NH PUC 322

New Hampshire Public Utilities Commission

December 12, 1974

ACCEPTANCE of a special rate contract between an electric cooperative and a private citizen.

BY THE COMMISSION:

Order

WHEREAS, New Hampshire Electric Cooperative, Inc. a utility selling electricity under the jurisdiction of this Commission, has filed with this Commission a copy of its Special Contract No. 41 with H. Felix Perdra, effective on the date service first made available for service at rates other than those fixed by its schedule of general application; and

WHEREAS, upon investigation and consideration, this Commission is of the opinion that special circumstances exist relative thereto which render the terms and conditions thereof just and reasonable with the public interest; it is

ORDERED, that said contract may become effective with the effective date thereof.

By order of the Public Utilities Commission of New Hampshire this twelfth day of December, 1974.

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NH.PUC*12/13/74*[77414]*59 NH PUC 322*Manchester Gas Company

[Go to End of 77414]

Re Manchester Gas Company

DR 74-70, Third Supplemental Order No. 11,668

59 NH PUC 322

New Hampshire Public Utilities Commission

December 13, 1974

REVISION of a previous commission order and report to account for a mistake in depreciation expenses.

BY THE COMMISSION:

Third Supplemental Order

WHEREAS, Manchester Gas Company filed, on December 3, 1974, a Motion for Rehearing stating certain deficiencies in the revenue calculations of Supplemental Order No. 11,651 dated November 22, 1974 (59 NH PUC 310) due to certain depreciation expense adjustments; and

WHEREAS, by Second Supplemental Order No. 11,664 dated December 10, 1974 the Commission, pursuant to RSA 541:5, suspended Supplemental Order No. 11,651 pending further consideration; and

WHEREAS, the Commission recognizes that it inadvertently excluded eighteen

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thousand dollars (\$18,000) of depreciation expense; it is

ORDERED, that pages 4 and 5 of the original Report dated November 22, 1974 entitled "III Revenue Requirements" should be deleted and replaced by the attached *Revised "III Revenue Requirements"* reflecting a net increase in revenue (after taxes) in the amount of sixteen thousand dollars (\$16,000) so that the total final revenue requirement authorized in this docket shall be three hundred ten thousand dollars (\$310,000); and it is

FURTHER ORDERED, that the suspension of Supplemental Order No. 11,651 is, in all other respects, removed.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of December, 1974.

Revised "III Revenue Requirements"

Applying the fair rate of return, 9.52%, to the rate base, \$5,415,000, the required net utility operating income becomes \$516,000.

The actual net utility operating income for the test year, prior to adjustments, was \$410,000. We accept some of the pro forma adjustments submitted by the Company and reject or change certain of their proposed adjustments.

The "weather" adjustment was withdrawn by the Company after cross-examination and submission of evidence by the Staff. The pension plan adjustment is rejected on the grounds that it is to take effect in the future and the amounts are conjectural and cannot be accurately determined. The Company failed to prove that its recorded expense for uncollectible accounts was inadequate; the net write-offs for the test year were actually less than the Company's recorded estimates.

The Company filed actual property tax bills at the final hearing date which exceeded the original estimates and we, accordingly, have changed this adjustment. Also, at the final hearing, the Company had received the bill for increased liability insurance and we have changed the estimated adjustment to reflect the actual amount.

The Company's proposed adjustment for a pro forma increase in depreciation expense is partially denied. The reasons for denying a rate base as calculated by the Company applies equally to denying an increase for future depreciation expense. Depreciation, calculated on average property balances, was adjusted to conform with the treatment of average rate base.

In general the case as submitted by the Company approached the use of an estimated future period, basically projecting only those aspects of operations which increased the calculated deficiency and ignored factors which would serve to decrease the calculated deficiency. We have

not accepted the use of an estimated test year and we do not believe that this case calls for such a procedure.

The revenue deficiency is calculated as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

Net Utility Operating Income		\$410,000
Pro Forma Adjustments, as submitted by Company		(83,000)
Adjusted as submitted		<u>\$327,000</u>
Commission Changes		
"Weather Normalization"	\$47,000	
Pension Plan	11,000	
Uncollectible Accounts	10,000	
Real Estate Taxes	(13,000)	
Insurance	(3,000)	
Depreciation	28,000	
		<u> </u>
Net Commission Changes before Income Taxes	80,000	
LESS: Increased Income Taxes	(41,000)	39,000
		<u> </u>
Net Utility Operating Income, Pro Forma		366,000
Required Net Utility Operating Income		516,000
		<u> </u>
Required Increase in Net Utility Operating Income		150,000
		<u> </u>
Required Increase in Revenues		\$310,000

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NH.PUC*12/17/74*[77415]*59 NH PUC 324*Manchester Gas Company

[Go to End of 77415]

Re Manchester Gas Company

DR 74-70, Fourth Supplemental Order No. 11,673

59 NH PUC 324

New Hampshire Public Utilities Commission

December 17, 1974

APPROVAL of a gas company's tariff revisions.

BY THE COMMISSION:

Fourth Supplemental Order

WHEREAS, in compliance with Supplemental Order No. 11,651 dated November 22, 1974 and Third Supplemental Order No. 11,668 dated December 13, 1974 of this Commission, Manchester Gas Company filed, on December 16, 1974, certain revisions of its tariff, N.H.P.U.C. No. 12 — Gas; and

WHEREAS, after investigation and consideration, this Commission is of the opinion that

said tariff revisions comply with the conditions set forth in said Order Nos. 11,651 and 11,668; it is

ORDERED, that Seventh Revised Page 12, Sixth Revised Page 13 and First Revised Pages 17 through 20 of Manchester Gas Company tariff N.H.P.U.C. No. 12 — Gas be, and hereby are, permitted to become effective with all current bills rendered on and after the date of this order; and it is

FURTHER ORDERED, that public notice be given in a newspaper having general circulation in the territory affected of the rate changes allowed by this order as set forth in the above numbered tariff pages.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of December, 1974.

=====

NH.PUC*12/19/74*[77416]*59 NH PUC 324*Concord Electric Company

[Go to End of 77416]

Re Concord Electric Company

D-R6236, Third Supplemental Order No. 11,675

59 NH PUC 324

New Hampshire Public Utilities Commission

December 19, 1974

EXTENSION of a purchased power adjustment clause pending a decision on the inclusion of a new adjustment factor.

BY THE COMMISSION:

Third Supplemental Order

WHEREAS, N H.P.U C. Order No. 11,426, dated May 20, 1974, (59 NH PUC 210) extended Concord Electric Company's Purchased Power Adjustment Clause to December 31, 1974, pending inclusion of the adjustment factor of 11.5070 in the Company's basic rates; and

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WHEREAS, the procedure for including such factor in the basic rate is still pending before this Commission; it is

ORDERED, that the Purchased Power Adjustment factor of 11.50% be, and hereby is, extended to such date as new rates, including this surcharge become effective.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of December, 1974.

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NH.PUC*12/19/74*[77417]*59 NH PUC 325*Exeter and Hampton Electric Company

[Go to End of 77417]

Re Exeter and Hampton Electric Company

D-R6237, Third Supplemental Order No. 11,676

59 NH PUC 325

New Hampshire Public Utilities Commission

December 19, 1974

EXTENSION of a purchased power adjustment clause pending a decision on the inclusion of a new adjustment factor.

BY THE COMMISSION:

Third Supplemental Order

WHEREAS, N.H.P.U.C. Order No. 11,425, dated May 20, 1974 (59 NH PUC 210), extended Exeter & Hampton Electric Company's Purchased Power Adjustment Clause to December 31, 1974, pending inclusion of the adjustment factor of 10.63% in the Company's basic rates; and

WHEREAS, the procedure for including such factor in the basic rates is still pending before this Commission; it is

ORDERED, that the Purchased Power Adjustment factor of 10.63% be, and hereby is, extended to such date as new rates including this surcharge become effective.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of December, 1974.

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NH.PUC*12/19/74*[77418]*59 NH PUC 325*Public Service Company of New Hampshire

[Go to End of 77418]

Re Public Service Company of New Hampshire

DF 74-219, Order No. 11,677

59 NH PUC 325

New Hampshire Public Utilities Commission

December 19, 1974

PETITION by an electric company to sell certain of its pollution control facilities and to lease back the facilities from the buyer; granted.

1. CONSOLIDATION, MERGER, AND SALE, § 23 — Approval — Financial benefit — Discharge of debts.

[N.H.] In order to pay off outstanding short-term debt, an electric company was allowed to sell certain of its pollution control facilities to the industrial development authority which would finance the sale through the issuance of pollution control revenue bonds. p. 327.

2. LEASES, § 1 — Sale and lease back.

[N.H.] An electric company was authorized to lease back certain pollution control facilities it had sold. p. 327.

3. SECURITY ISSUES, § 111 — Financing methods — Guarantors — Sale and lease back.

[N.H.] An electric company was authorized to act as a guarantor for bonds issued by another for its purchase of the company's facilities. p. 327.

APPEARANCES: Ralph H. Wood for the petitioner.

BY THE COMMISSION:

Report

By petition filed November 22, 1974, Public Service Company of New Hampshire (the "Company"), a corporation duly organized and existing under the laws of the State of New Hampshire, and operating therein as an electric public utility under the jurisdiction of this Commission, seeks authority pursuant to the provisions of RSA 374:30 to sell and transfer certain pollution control facilities (the Facilities) and related easements to The Industrial Development Authority of New Hampshire (the IDA) and pursuant to the provisions of RSA 369 to enter into a lease of the Facilities from the IDA and to guarantee the payment of principal and interest on pollution control revenue bonds (the Bonds) to be issued by the IDA.

At the hearing on the petition, held in Concord on December 9, 1974, the Company described the proposed financing, which contemplates the sale of approximately \$7,300,000 of the Bonds by the IDA under the provisions of RSA 162-E, the use of the proceeds of the sale of the Bonds by the IDA to purchase the Facilities from the Company for \$7,000,000 and to pay the expenses of issuing the Bonds, including underwriters discount, and the lease of the Facilities by the Company from the IDA and the guaranty by the Company of the payment of the principal and interest on the Bonds. The Company submitted that the proceeds of the sale of the Facilities to the IDA (after the deposit of the proceeds with the Company's Mortgage Trustee in order to obtain a Mortgage release, and their repayment by the Mortgage Trustee to the Company) will be used to pay off short-term notes outstanding at the time of closing of the transaction, the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the Company's business.

The Company further submitted that financing through the issuance of pollution control

revenue bonds, as proposed, would benefit the Company and its customers because the interest rate on the Bonds would be significantly lower than the interest rate which the Company would have to pay on a conventional debt issue, due to the exemption from Federal income taxes of the interest received on the Bonds by the bondholders.

The Company submitted that it would be obligated under the lease to make semiannual rental payments equal in each case to the amount required to pay any interest and principal then due on the Bonds. The rental payments would be made to The National Shawmut Bank of Boston, as trustee under an indenture between the IDA and said bank. The Company further submitted that in addition it would enter into a guaranty agreement with the indenture trustee guaranteeing to the trustee, for the benefit of the holders of the Bonds and of the interest coupons, payment of principal and interest when due. Copies of the Preliminary Official Statement, offering the Bonds for sale, and of the proposed lease, indenture, and guaranty were put in evidence, together with the proposed bill of sale describing the Facilities, to be transferred to the IDA, and the proposed related deed of easement.

The Company also submitted a balance sheet with the proposed supporting journal entries and a statement of capital structure as at October 31, 1974, actual and pro forma to reflect the transaction. A certified copy of authorizing votes of the Company's Board of Directors was put in evidence at the hearing.

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The Company stated that certain statutory findings by the Governor and Council were required before the IDA could issue the Bonds and that the IDA had submitted its recommendation to the Governor and Council that such findings be made. The Company submitted that promptly following favorable action by the Governor and Council, the terms of the Bonds could be negotiated with the underwriters and that the sale of the Bonds could then take place, provided a favorable order of this Commission had been issued. Accordingly, the Company stated that it would submit to the Commission, as soon as possible following the hearing, the details of the proposed Bond issue, including the principal amount of the Bonds to be issued, the price thereof and interest rate thereon, and the term of the Bonds.

Pursuant to this undertaking, subsequent to the hearing the Company notified the Commission that the Governor and Council had taken the necessary action with respect to the issue of the Bonds and submitted to this Commission details concerning the principal amount of said Bonds to be sold, the price thereof, the interest rate thereon, and the term thereof, said principal amount being seven million three hundred thousand dollars (\$7,300,000), said price being ninety-seven and fifteen one hundredths percent (97.15%) of the principal amount, said interest rate and term for one million five hundred thousand dollars (\$1,500,000) in principal amount of bonds being eight and one quarter percent (8 1/4%) and five (5) years from December 1, 1974 respectively, and said interest rate and term for five million eight hundred thousand dollars (\$5,800,000) in principal amount of bonds being nine percent (9%) and ten (10) years from December 1, 1974 respectively, all in accordance with the Contract of Purchase between the Industrial Development Authority and the underwriters, a copy of which is to be filed with the Commission.

[1,2,3] Upon investigation and consideration, the Commission is satisfied that the proposed financing on the terms proposed is consistent with the public good and that the proceeds therefrom will be expended to pay off a portion of the Company's short-term notes outstanding at the time of closing of the transaction, the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and future use in the conduct of the petitioner's business. Accordingly, the Commission finds as follows:

(1) That the Company's transfer of the Facilities to the IDA at the price proposed, substantially as described in the proposed bill of sale and deed of easement put in evidence in this proceeding, will be for the public good;

(2) That execution and performance of a lease by and between the IDA and the Company, substantially in the form of the lease presented in evidence in this proceeding, will be consistent with the public good; and

(3) That execution and performance of a guaranty by the Company to The National Shawmut Bank of Boston, as trustee for the benefit of the bondholders, substantially in the form of guaranty presented in evidence in this proceeding, will be consistent with the public good.

Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that the Commission assents to the proposed transfer of, and authorizes Public Service Company of New Hampshire to transfer, for a consideration of seven million dollars (\$7,000,000), certain pollution control facilities at the Company's Newington Station in Newington, New Hampshire, consisting of a precipitator installation and a process waste system together with certain related easements; and it is

FURTHER ORDERED, that the proposed execution and performance of a lease of the transferred facilities by and between Public Service Company of New Hampshire and The Industrial Development Authority of New Hampshire be, and hereby is, assented to and authorized; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire be, and hereby is, authorized to issue its proposed unconditional guaranty of the payment of principal of and interest when due on seven million three hundred thousand dollars (\$7,300,000) of

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bonds to be issued by the Industrial Development Authority; and it is

FURTHER ORDERED, that the proceeds from the sale of the pollution control facilities shall be used by the Company for the purpose of discharging and repaying outstanding short-term obligations; and it is

FURTHER ORDERED, that on January first end duly first in each year, Public Service Company of New Hampshire shall file with this Commission a detailed statement, duly sworn by its financial Vice President or its Treasurer, showing the disposition of the proceeds of sale of

the pollution control facilities until the expenditure of the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of December, 1974.

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NH.PUC*12/26/74*[77419]*59 NH PUC 328*Bedford Water Corporation

[Go to End of 77419]

Re Bedford Water Corporation

D-E6266, Order No. 11,678

59 NH PUC 328

New Hampshire Public Utilities Commission

December 26, 1974

GRANT of public utility status upon a water company.

1. PUBLIC UTILITIES, § 122 — Status — Land development water system — Request by town.

[N.H.] Where a town requested that a private development water company be allowed to service other limited areas of the town because of the quality and quantity of the company's water, and where the company obtained approval from the Water Supply and Pollution Control Commission, the commission granted the company an extension and recognized it as a public utility. p. 328.

2. RATES, § 134 — Reasonableness — Water — Comparisons.

[N.H.] The commission ordered a private water company that was just granted public utility status to lower its rates to be in line with other water utilities of similar size and similar era construction. p. 329.

APPEARANCES: Emile R. Bussiere for the petitioner; Robert F. Bossie for a group of resident customers in Bedford.

BY THE COMMISSION:

Report

[1] On May 15, 1974, Bedford Water Corporation, a New Hampshire corporation with its place of business in Bedford, New Hampshire, filed with this Commission a petition requesting authority to operate as a water public utility in a limited area in the Town of Bedford.

On October 19, 1972 a hearing was held at the office of the Commission in Concord, following the required notice to interested parties by posting in two public places in the Town of Bedford. At this hearing the Petitioner represented that the water system was originally started to serve a development that was being constructed in Bedford, and because of the quantity and quality of the water found by the Bedford Water Corporation, and at the request of the Town of Bedford, water service was furnished to adjoining developments. Also at this hearing the Petitioner presented certain testimony and exhibits; however, a letter of final approval of the

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water system by the New Hampshire Water Supply and Pollution Control Commission was not submitted. This letter of final approval is a fundamental requirement for the granting of authority to operate as a public water utility, and since it was not submitted, this hearing was continued indefinitely.

On January 10, 1974, a copy of a letter from the Water Supply and Pollution Control Commission was received by this Commission stating that the Bedford Water Corporation system was in conformance with Water Supply and Pollution Control Commission requirements upon installation of additional pressure storage and an increase in booster pump capacity. Documents attesting to the purchase of this equipment were submitted to, and approved by, the Water Supply Commission.

By its Order of March 4, 1974, this Commission ordered that a further hearing be held in this matter. After several postponements the hearing was held on August 2, 1974 at the office of the Commission in Concord. At the hearing the Petitioner presented testimony on pro-forma financial statements, supplemental schedules and rates for service, revised from its filing made at the first hearing in October, 1972. The Petitioner maintains that with the rate structure presently in force the water company is unable to meet its expenses, particularly with respect to meter reading, general bookkeeping and repairs. These services are presently being performed by one of the stockholders of the water company, without compensation.

The Company presented a pro-forma income statement for the years 1974, 1975 and 1976 based on estimated revenues and expenses. In a new commercial enterprise it is difficult to precisely anticipate items of investment, customers to be served, revenues and expenses. The revenue requirements proposed by the Company call for an increase in rates of 54% over those first filed in the case; however, computations by the Company showing rates of return of 9.81%, 14.4% and 17.32% based on this increase were erroneous and would actually produce rates of return of 13.49%, 18.3% and 26.1% in 1974, 1975 and 1976 respectively. Reducing the revenue requirement to \$9,384, \$11,002 and \$12,620 for these three years would produce rates of return of 4.1%, 7.4% and 11.6%.

In view of the speculative aspect of this forecast, it is our judgment that the revised revenue requirement and corrected computations produce rates of return sufficient for this company in the immediate future.

[2] The petitioner has submitted a rate schedule that would produce annual revenues of \$209.80 from the average-customer use of 10,200 cubic feet of water. We find this schedule of rates to be high, and in fact the highest for any private water company in this state at the present

time. We realize that developing rates for small new water companies is difficult because of the lack of factual data. With this in mind and in view of the foregoing, we feel that a rate not significantly different from those in use by other New Hampshire water companies of similar size and similar-era construction would be more appropriate until such time as factual data is available.

We find the following rate would produce total revenues, using the projected number of customers in the Petitioner's pro-forma exhibit, as shown:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

1974	1975	1976
\$9,384	\$11,002	\$12,620
First 500 cu. ft. per quarter	\$22.00	
Next 4,500 cu. ft. per quarter	.90/Ccf	
Next 5,000 cu. ft. per quarter	.60/Ccf	
Over 10,000 cu. ft. per quarter	.35/Ccf	

This revised rate will produce annual revenue of \$161.80 for the average-customer use of 10,200 cubic feet and amounts to only an 18.5% increase over the initial rate as filed in this case in 1972, and a 58% increase over the present rates established when the company first started operation several years ago before coming under the jurisdiction of this Commission.

From an analysis of the testimony and initial and subsequent data furnished by the Petitioner, the Commission is satisfied that there is a need for the proposed service, that the Petitioner will have the financial ability to furnish the service under rates as set forth above, and that the granting of the petition will be in the public interest and, therefore, for the public good.

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Our order will issue accordingly.

Order

Upon consideration of the foregoing report, which is made a part hereof; it is

ORDERED, that Bedford Water Corporation be, and hereby is, authorized to operate as a public water utility in a limited area in the Town of Bedford, bounded and described as follows:

Beginning at a point on Liberty Hill Road, so-called, at its intersection with a farm road, said point being also 1,100 feet, more or less, southerly of the Six Corners, so-called, near McKelvie School;

Thence easterly 6,000 feet, more or less, to the intersection of Patten Road, so-called, and Back River Road, so-called, and continuing beyond to a point which is 100 feet easterly of said Back River Road;

Thence southerly parallel to said Back River Road and 100 feet easterly thereof, 7,000 feet, more or less, to a point opposite the intersection of said Back River Road and another farm road, said intersection being 1,900 feet, more or less, southerly along said Back River Road from Meadowcrest Drive, so-called;

Thence westerly 4,900 feet, more or less, to the intersection of Liberty Hill Road, so-called,

and Gage Road, so-called, and continuing beyond to a point 100 feet westerly of said Liberty Hill Road;

Thence northerly parallel to said Liberty Hill Road and 100 feet westerly thereof, 6,700 feet, more or less, to the first mentioned farm road;

Thence easterly 100 feet to the point of beginning, said area outlined on a map on file in the office of this Commission, marked D-E6266, Petitioner's Exhibit No. 1, and for this purpose to construct the necessary facilities; and it is

FURTHER ORDERED, that its tariff, entitled N.H.P.U.C. No. 1 — Water, with revised rates as set forth in the accompanying Report in this case, shall become effective with the date of this Order; and three signed copies plus three properly executed copies, shall be filed with this Commission immediately upon receipt of this Order.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of December, 1974.

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NH.PUC*12/26/74*[77420]*59 NH PUC 330*Public Service Company of New Hampshire

[Go to End of 77420]

Re Public Service Company of New Hampshire

DR 74-181, Supplemental Order No. 11,679

59 NH PUC 330

New Hampshire Public Utilities Commission

December 26, 1974

IMPLEMENTATION of an electric company's late payment penalty.

PAYMENT, § 53 — Penalties — Late payment — Effect on timely customers.

[N.H.] Where it would not affect customers who paid their bill on time, the commission allowed an electric company to institute a late payment penalty.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Public Service Company of New Hampshire, a public utility engaged in the business of supplying electricity in the State of New Hampshire, on August 29, 1974 filed with

this Commission First Revised Page 23 and First Revised page 26 of its tariff, N.H.P.U.C. No. 18 — Electricity, providing for changes in its billing practice, effective October 1, 1974; and

WHEREAS, said tariff filing was suspended by Commission Order No. 11,564 pending further investigation by the Commission; and

WHEREAS, the Commission is now satisfied that the implementation of this late-payment penalty will be in the public interest since these provisions will have no adverse affect on customers who pay their bills on a timely bases, and will serve to reduce the cost to all customers of providing working capital for those whose payments are delayed; it is

ORDERED, that Order No. 11,564 be, and hereby is, revoked; and it is

FURTHER ORDERED, that First Revised Page 23 and First Revised Page 26 of Public Service Company of New Hampshire tariff, N.H.P.U.C. No. 18, providing for a late-payment penalty charge of 1 1/2 per month on unpaid balances for Primary General Service and Transmission General Service customers' bills be, and hereby is, permitted to become effective with all bills based on successive meter readings, the latter of which is taken on or after January 1, 1975; and it is

FURTHER ORDERED, that public notice of this provision be given by publication of this order in a newspaper having general circulation in the territory served, or by individual notice to customers in the rate classes affected.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of December, 1974.

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NH.PUC*12/27/74*[77421]*59 NH PUC 331*Exeter and Hampton Electric Company

[Go to End of 77421]

Re Exeter and Hampton Electric Company

DR 74-236, Supplemental Order No. 11,680

59 NH PUC 331

New Hampshire Public Utilities Commission

December 27, 1974

PETITION by an electric company for the use of a late payment penalty; granted.

PAYMENT, § 53 — Penalties — Late payment — Effect on timely customers.

[N.H.] Since a late payment penalty would not affect timely customers and would reduce the cost of working capital for all customers, the commission approved its use.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electricity in the state of New Hampshire, on October 10, 1974 filed with this Commission First Revised Page 21 and First Revised Page 25 of its tariff, NHPUC No. 9 — Electricity, providing for changes in its billing practice November 10, 1974; and

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WHEREAS, said tariff filing was suspended by NHPUC Order No. 11,615 pending further investigation by the Commission; and

WHEREAS, the Commission is now satisfied that the implementation of this late-payment penalty will be in the public interest since these provisions will have no adverse affect on customers who pay their bills on a timely basis, and will serve to reduce the cost to all customers of providing working capital for those whose payments are delayed; and it is

ORDERED, that NHPUC Order No. 11,615 be, and hereby is, revoked; and it is

FURTHER ORDERED, that First Revised Page 21 and First Revised Page 25 of Exeter and Hampton Electric Company tariff, NHPUC No. 9, providing for a late-payment penalty charge of 1 1/2 per month on unpaid balances for General Service Rate G and Industrial Power Service Rate P customers' bills be, and hereby are, permitted to become effective with all bills based on successive meter readings, the latter of which is taken on or after January 1, 1975; and it is

FURTHER ORDERED, that public notice of this provision be given by publication of this order in a newspaper having general circulation in the territory served; or by individual notice to customers in the rate classes affected.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of December, 1974.

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NH.PUC*12/27/74*[77422]*59 NH PUC 332*Concord Electric Company

[Go to End of 77422]

Re Concord Electric Company

DR 74-237, Supplemental Order No. 11,681

59 NH PUC 332

New Hampshire Public Utilities Commission

December 27, 1974

APPROVAL of an electric company's late payment penalty provisions.

PAYMENT, § 53 — Penalties — Late payment — Effect on timely customers.

[N.H.] The commission allowed an electric company to implement a late payment penalty where it would not adversely affect timely customers and would contribute to working capital.

BY THE COMMISSION:

Supplemental Order

WHEREAS, Concord Electric company, a public utility engaged in the business of supplying electricity in the state of New Hampshire, on October 10, 1974 filed with this Commission First Revised Page 19 and First Revised Page 22 of its tariff, NHPUC No. 4 — Electricity, providing for changes in its billing practice, effective November 10, 1974; and

WHEREAS, said tariff filing was suspended by NHPUC Order No. 11,614 pending further investigation by the Commission; and

WHEREAS, the Commission is now satisfied that the implementation of this late-payment penalty will be in the public interest since these provisions will have no adverse affect on customers who pay their bills on a timely basis, and will serve to reduce the cost to all customers of providing working capital for those whose payments are delayed; it is

ORDERED, that NHPUC Order No. 11,614 be, and hereby is, revoked; and it is

FURTHER ORDERED, that First Revised Page 19 and First Revised Page 22 of Concord Electric Company tariff, NHPUC No. 4 providing for a late-payment penalty charge

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of 1 1/2% per month on unpaid balances for General Service Rate G and Limited Power Service Rate PL customers' bills be, and hereby are, permitted to become effective with all bills based on successive meter readings, the latter of which is taken on or after January 1, 1975; and it is

FURTHER ORDERED, that public notice of this provision be give by publication of this order in a newspaper having general circulation in the territory served; or by individual notice to customers in the rate classes affected.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of December, 1974.

NH.PUC*12/27/74*[77423]*59 NH PUC 333*Municipal Electric Department of Wolfeboro

[Go to End of 77423]

Re Municipal Electric Department of Wolfeboro

DR 74-231, Supplemental Order No. 11,682
59 NH PUC 333
New Hampshire Public Utilities Commission
December 27, 1974

IMPLEMENTATION of an electric company's late payment penalty.

PAYMENT, § 53 — Penalties — Late payment — Effect on timely customers.

[N.H.] The commission permitted an electric company to change its billing practices in order to include a late payment penalty where the penalty would not affect customers paying on time.

BY THE COMMISSION:

Supplemental Order

WHEREAS, the Municipal Electric Department of Wolfeboro, New Hampshire, a public utility engaged in the business of supplying electricity in the state of New Hampshire, on November 27, 1974 filed with this Commission First Revised Page 5 of its tariff, NHPUC No. 4 — Electricity, providing for changes in its billing practice, effective January 1, 1975; and

WHEREAS, said tariff filing was suspended by NHPUC Order No. 11,665 pending further investigation by the Commission; and

WHEREAS, the Commission is now satisfied that the implementation of this late-payment penalty will be in the public interest since these provisions will have no adverse affect on customers who pay their bills on a timely basis, and will serve to reduce the cost to all customers of providing working capital for those whose payments are delayed; it is

ORDERED, that NHPUC Order No. 11,665 be, and hereby is, revoked; and it is

FURTHER ORDERED, that First Revised Page 5 of the Municipal Electric Department of Wolfeboro, New Hampshire tariff NHPUC No. 4 — Electricity providing for a late-payment penalty charge of 1 1/2% per month on unpaid monthly balances be, and hereby is, permitted to become effective with all bills based on successive meter readings, the latter of which is taken on or after January 1, 1975; and it is

FURTHER ORDERED, that public notice of this provision be given by publication of this order in a newspaper having general circulation in the territory served.

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By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of December, 1974.

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NH.PUC*12/31/74*[77424]*59 NH PUC 334*Public Service Company of New Hampshire

[Go to End of 77424]

Re Public Service Company of New Hampshire

D-R6081, Order No. 11,684

59 NH PUC 334

New Hampshire Public Utilities Commission

December 31, 1974

ORDER authorizing a rate increase for an electric company.

1. VALUATION, § 213 — Rate base — Plant for future needs — Current investment.

[N.H.] The commission allowed an electric company to include in rate base a nuclear generating unit not yet on line, given a supreme court ruling that rates should consider current cost figures including investments required in the near future. p. 336.

2. RETURN, § 26.2 — Cost of debt capital — Short-term debt.

[N.H.] In determining a company's overall cost of capital, the cost of short-term debt must be included. p. 336.

3. RETURN, § 26.4 — Cost of common equity — Economic factor — Prospective investors.

[N.H.] Considerations of the economy and of the need to attract prospective investors led the commission to establish a cost of common equity well above that set in the company's last rate case. p. 337.

4. REVENUES, § 2 — Revenue requirements — Pro forma adjustments — Risk of attrition.

[N.H.] Although it meant a risk of attrition, the commission determined a company's revenue requirements without making any pro forma adjustments to the company's income statement'. p. 338.

5. RATES, § 260 — Surcharges — Past unrecovered revenues — Limited recoupment.

[N.H.] Although a company is usually allowed to recover the difference in amounts collected under temporary rates and amounts that would have been collected had the currently authorized rates been effective then, the commission limited recoupment in this instance to the temporary tariff plus ten per cent so as to reduce the impact on ratepayers, and it further ordered the surcharge to be collected during the lower use summer months. p. 338.

6. COMMISSIONS, § 49 — Appointment of counsel — For commission or the public.

[N.H.] The commission denied a motion to appoint an attorney to represent the consumer's interests since at the outset of the case the commission had retained special counsel to represent both the commission and the public. p. 339.

7. RATES, § 143 — Cost of service — Load research studies.

[N.H.] The commission reaffirmed its commitment to load research and cost-of-service studies in order to determine class rates based upon the cost of serving that class. p. 340.

APPEARANCES: Franklin Hollis, Joseph S. Ransmeier for the petitioner; Warren E. Waters and George L. Manias, special counsel to the commission for the Public Utilities Commission; Charles T. Gallagher for New Hampshire Electric Cooperative, Inc.; Richard Cotton of New Hampshire Legal Assistance for VOICE.

BY THE COMMISSION:

Report

This case has been before us since the summer of 1971 — surely one of the longest proceedings of this nature in which the Commission has ever engaged. It has twice been

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to the Supreme Court of New Hampshire for review, and it has engaged a great deal of time and attention of the Commission, its counsel and its staff. Expert testimony was adduced at several stages of our consideration, and the record of testimony exhibits and responses to staff requests is voluminous.

The life of the proceeding has paralleled a period of economic crises and stress almost without precedent, ranging from the price controls of 1971-1973 to the present paradoxical circumstance of great inflation coupled with economic recession, all exacerbated during the last twelve months by energy shortages which have resulted in enormous increases in fuel costs and in all the numerous products requiring fossil resources for their manufacture. Consumers of all categories have felt the impact of these factors, the measures for consumers in general being reflected in the steep rise in the Consumers Price Index, while for public utilities in their character as consumers the effect is seen in part by the sharp increase in construction costs alone as reported in the Handy-Whitman Index (*e.g.* an increase of 10.8% in construction costs alone during the year 1973). Rising interest rates, coupled with a depressed stock market, have affected individuals and industry, and particularly the electric utility industry, with its immense capital requirements.

In these circumstances we keenly feel our responsibility both to the user and to the producer of electric current, recognizing on the one hand that rate relief is required, but determined, on the other, that relief will be only so much as is absolutely required in our best judgment and in the constraints of the applicable law.

We entered upon the present phase of these proceedings with the background of the instructions of the Supreme Court in its earlier review of this case ([1973], 113 NH 497, 2 PUR4th 59, 311 A2d 513) to the effect that in fixing the allowable rates of this company we should consider current cost figures, and its admonition that basic utility law as enunciated by the United States Supreme Court in the *Bluefields* and *Hope* cases " ... call(s) for a fair return upon the investment in the Company, including investments required in the immediate future." 113 NH at p. 508, 2 PUR4th at p. 68, 311 A2d 513. We noted, too, the Court's approval of a

statement of the Supreme Judicial Court of Massachusetts (98 PUR3d at p. 258):

" 'It is self evident that the more nearly an order ... comes to being based on contemporary data, the more nearly exact justice is done to the utility and the further away is another rate case.' "
New England Telephone & Telegraph Co. v New Hampshire (1973) 113 NH 92, 99, 98 PUR3d 253, 302 A2d 814.

Accordingly, at the hearing we received evidence based on actual data with respect to the operations of the Company during the twelve months ended September 30, 1974, together with matter bearing upon future financing needs of the Company — in the latter regard taking into consideration financing which was accomplished in October, 1974, the effects of which are now known.

Incorporated into the record or taken into consideration by us by way of official notice of information in our own files were the results of our continuing review of the Company's operations and financial condition in relation to this lengthy proceeding, including such collateral but highly relevant matters as financing cases which have come before us. Our statutory duty to deliberate and pass upon proposed issues of stock, bonds, notes and other evidences of debt (RSA 369), has kept us informed of the Company's needs for funds, its proposed application of the proceeds of financing, and, too, of the results of its ventures into the financial markets in the search for funds, including especially the return and interest rates demanded by investors. Thus, during the time while this case has been before us and upon appropriate showing in each instance, we authorized the issue of 150,000 shares of 7.92% preferred stock at \$100 per share; 120,000 shares of 7.64% preferred stock at \$100 per share; \$20,000,000 of first mortgage bonds at a net cost to maturity of 7.77%; \$20,000,000 of first mortgage bonds at a net cost to maturity of 9.08%; \$25,000,000 of first mortgage bonds at a net cost to maturity of 13.05%; \$25,000,000 of a five year term loan at rates based upon the prime bank loan rate. During the period we have authorized numerous limits of short-term debt.
 Common stock

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authorized during this period was sold in the following amounts and prices:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

November, 1971,	420,000 shares	at \$24.00
March, 1974,	650,000 shares	at \$19.00
October, 1974,	1,000,000 shares	at \$12.00

Most recently we have approved a proposal of the Company, in conjunction with the New Hampshire Industrial Development Authority, to secure financing in the amount of \$7,300,000 to cover the cost of the installation of pollution control facilities. The bonds arising from this transaction have been issued at interest rates of 8 1/4% and 9%. It will be noted that these bonds are tax-exempt, a factor bearing heavily upon the interest cost to the Company. These various financing programs demonstrate the insatiable demand of electric generating companies for new funds.

In addition to such matters and to testimony presented at the hearings, we have received not only the reports regularly and routinely supplied us by the Company, but also we have required

the submission of additional information showing in substantial detail the financial and operating circumstances of the utility. This we have supplemented by staff examination and audits of certain of the Company's prime records. We are thus confident that we have complete, reliable and objective information which is entirely adequate to serve as the basis for our order in this case.

In earlier phases of this proceeding there were a number of issues upon which the Staff and the Company disagreed. For a detailed statement of these, reference is made to our previous orders in the case and to the opinions of the Supreme Court rendered in its prior reviews. Substantially all of these issues have been resolved in the manner urged by the Staff to the advantage of the consumer, or conceded by the Company for the purpose of this case. We shall advert to the more significant of these below.

Rate Base

[1] The rate base figures presented by the Company were derived substantially in agreement with the method prescribed in our earlier orders. Such issues as who is to benefit from the pre-1971 investment tax credit, and whether the Company should be credited with certain "uncollected" depreciation accruals — hotly contested before us and before the Supreme Court — have been conceded by the Company in its presentation. The Company has asked us to vary from our longstanding application of the average rate base concept in the regulation of this Company only to the extent of crediting the rate base with the total cost of the Newington station. We find the Supreme Court's discussion under the topic "Plant Held for Future Use" (113 N.H. at 505, et seq.) to hold analogy to the circumstances surrounding this major new facility, with the problems inherent in bringing a large new station into efficient operation. We adopt this variation for the sole purposes of this case and in the recognition that to disregard the existence of the substantial investment represented by Newington during a major portion of the test year can lead only to further attrition and requests for further rate relief in the immediate future. Our action is not to be understood as a general departure from the traditional manner of calculating the permissible components of the rate base of this company. We recognize that the Supreme Court in its discussion of Plant Held for Future Use — to the extent that this discussion holds analogies to the circumstances of Newington — has suggested that we reconsider our position in regard to such property. With the exception of Newington prior to its being placed on stream, the Company had no significant amounts of such plant during the test year, and so we shall defer further reconsideration of the concept until the exigencies of a particular case compel it. Based upon the testimony and the exhibits as verified by our Staff, we find the rate base upon which the Company's revenue requirements are to be based to be in the amount of \$357,724,000.

Fair Rate of Return

[2] By far the most difficult facet of the regulatory processes is the determination of the fair rate of return, to which, according to fundamental utility law as set forth in *Bluefields* and in *Hope*, a regulated public utility is entitled. Ascertainment of the fair rate of return commences with a study of the cost of capital to the company under consideration;

the cost of capital, our Supreme Court has said: "marks the minimum rate of return to which

the company is lawfully entitled" (New England Tel. & Tel. Company v State, 104 NH 229,232, and quoted in the first review of this case). Capital costs attendant upon debt capital and upon capital represented by preferred stock are based upon sheer mathematics relating to known quantities. We do not quarrel with the statement of individual costs associated with debt and preferred stock as shown in Company Exhibit 74-9. The figures for these elements are presented accurately as reflected in our own records. We do insist, however, that the cost of short-term debt, omitted from this schedule by the Company, is a proper component in establishing the overall cost of capital to this company. We have consistently held to this position in our several orders in these proceedings, and our finding of the cost of the debt element will take into account the cost of short-term debt.

[3] Determination of the cost of the equity component of the capital structure is not accomplished with equal facility. The subject peculiarly requires informed judgment based upon alert and continuing surveillance of the capital markets and upon expert advice. During the course of this case we have had the benefit of the reasoning and conclusions of independent experts, as well as the views of Company and Staff financial authorities. Our observation of the several financings in this type of security which have occurred during the course of the proceeding has given us, in addition, an insight on a continuing basis which is not available in the usual regulatory proceeding.

Varying approaches to the determination of the cost of equity capital were presented to us, ranging from the so-called discounted cash flow method, with its apparent mathematical accuracy, to the comparable earnings method with the problems inherent in establishing total comparability in this approach. The Company in its Exhibit 74-9 seeks a finding of 15% for this capital, although in oral testimony it suggests figures ranging to 17%. The Staff, on the other hand, suggests the cost of equity to be in the order of 14%. Both positions were supported by matter placed before us. The Company in its Exhibit 74-6 invites our attention to recent decisions of other regulatory commissions in which returns on equity of between 14% and 16% were allowed — while the Staff, in its Exhibit 74-1 shows several recent decisions allowing a return of less than 14%. Our review of the arguments and exhibits, coupled with our own knowledge of the capital markets, leads us to the conclusion that the Staff's representations upon this issue are the more sound, and we shall adopt 14% as our finding of the cost of equity capital.

In assigning this measure as the cost of equity, we give recognition to what is a current fact of life in the financial market, and to the doctrine of the *Hope* case, as cited by our Supreme Court, which, "in particular placed emphases upon the attraction of capital ... which encompasses the role of the *prospective investor* in the establishment of the cost of capital", 113 NH at p. 508 2 PUR4th at p. 68, 311 A2d 513 [emphasis added]. The budget of the Company and its accompanying tentative financing schedule (Company Exhibit 74-3), together with our own action in the financing cases discussed above, demonstrates the Company's reliance upon the "prospective investor" in meeting its obligations. Substantial amounts of common stock must be sold within the near future in order that the Company may meet its obligations for construction and in order to provide the Company with a balanced capital structure which in turn will permit the issue of additional debt and preferred stock. In passing we note some facts bearing upon the experience of the Company during the course of these proceedings; in November, 1971, the Company issued 420,000 shares of common stock at a price of \$24 per share; in March of this

year, investors paid \$19 per share for 650,000 shares; while in October, 1974, 1,000,000 shares were sold at \$12 per share. And we note that the market price of the common stock of the Company is now in the order of \$11. This means that the investor who purchased the shares of 1971 issue at \$24 has suffered a loss of some 54%, while the investor who purchased at \$19 only some nine months ago has seen the value of his investment decline by some 42%.

Bluefields and *Hope* tell us that the *entire* investment in the Company is to be fairly compensated. While one might wish, in spite

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of this injunction to ignore the fate of past investors, we cannot disregard the actuality that the reward held out to a *prospective* investor must be sufficient to induce him to place his money in the Company's stock. As the lender of debt money must have assurance that the debt will be repaid, with interest at the rate agreed upon, so will the supplier of equity require compensation for the money which he advances — compensation which takes into account the fact that he, too, may suffer the same fate in the diminution of the value of his investment which has been suffered by his predecessors. The rate we fix for the return on equity — substantially above that which we determined in 1972 and affirmed in 1973 but based upon current considerations is, in our best judgment, the bare minimum which will provide such assurance. With equity capital represented in the capital calculation at the rate stated, we find the cost of capital to the Company to be 9.48%. We do not apply this figure directly to the rate base, for to do so would be to disregard the obvious effects to pervasive attrition in the Company's earnings. Having in mind the Court's injunction that allowance should be made for attrition, we add the factor of .20 per cent, the minimum which, in our best judgment will adjust for continuing attrition; and we conclude that the fair rate of return which we should apply to the rate base is 9.68%.

Revenue Requirements

[4] It has been usual regulatory practice in determining revenue requirements based upon a test year to make pro forma adjustments in the Company's income statement. We have not done so in this case, a procedure in which the Company apparently acquiesces as indicated in its Exhibit 74-15. This omission is not undertaken without risk of attrition of earnings in the future if expenses of operations continue to increase without offsetting growth in sales of electricity. As we have taken Newington fully into account in establishing the rate base, we also take it into account in establishing revenue requirements, placing reliance upon its expected efficiencies to compensate for negative cost factors which may be encountered.

We note that consistently with our previous orders the Company seeks no compensation with respect to promotional allowances; and that its treatment of the federal income tax effects arising from interest charged during construction are treated in the spirit of our order of December 21, 1973.

By application of the fair rate of return which we have found to the rate base above discussed, we find the Company to be entitled to an increase in its revenues of \$17,278,000.

We point out that the revenues which we allow do not comprise a guaranteed profit to the Company or to its stockholders. As the merchant prices the goods upon his shelves at a level which he calculates as sufficient to meet his operating expenses together with a reasonable return

upon his investment, so we, in the exercise of the public right to fix charges for the service rendered by this public utility and having regard to the same factors taken into account by the private merchant, have set the level of rates which the Company will be allowed to charge. We have exercised our best judgment and believe that we are correct — but if due to future eventualities over which we have no control the goals which our order is intended to achieve are not met, there will be no restoration, either to the Company or to its stockholders, of earnings and profits which were not realized. In this respect the Company and its stockholders stand in no different position than that of the unregulated enterprise.

Surcharge and Recoupment

[5] Under our statutes where temporary rates are prescribed, RSA 378:27, and a final rate decision is determined with rates in excess of those prescribed in such temporary order then the utility is permitted to amortize and recover by means of a temporary increase over and above the rates finally determined, such sum as shall represent the difference between the gross income obtained from the rates prescribed in such temporary order and the gross income which would have been obtained under the rates finally determined if applied during the period such temporary order was in effect, RSA 378:29.

While, therefore the Company would be entitled to recover an amount equal to the

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difference between what it actually received under temporary rates since January 1, 1974 and what it would have received had the rates which we now allow been in effect during the entire period, we believe that substantial justice will be achieved if the deficiency to be recouped is calculated upon the basis of Tariff #18 plus 10% from January 1, 1974 rather than on the greater measure which would be allowed under strict application of the statute. At the close of the hearing the Company indicated a willingness to waive strict enforcement of its rights, a waiver which we believe entirely appropriate in the public interest, and accordingly, our order will so provide.

We granted Tariff #18 as temporary rates effective January 1, 1974 and Tariff #18 plus 10% as temporary rates effective June 1, 1974. Consistently with the foregoing, we authorize the Company to amortize and recover additional revenue equal to 10% of Tariff #18 for the period January 1, 1974 to June 1, 1974, together with rate case expense, in an amount totalling \$3,750,000.

In view of the larger bills prevalent during the higher use winter months and in order to minimize the impact of the recoupment of the difference between Tariff #18 plus 10% and Tariff #18 during the period January 1, 1974 to June 1, 1974, the Commission is of the opinion that the surcharge should be collected during the lower use summer months of 1975. Furthermore, it is suggested that budget billing be made available to all residential customers for the period January 1 through August 31, 1975.

Rate Structure and Related Matters

[6] During the proceedings representatives of several groups of persons of limited means have appeared before us, urging us especially to consider the rate structure of the Company as it

bears upon the residential consumer of limited income. We have listened attentively to the positions advanced, for we recognize the severe impact in increased electric costs upon all consumers in these difficult times, and particularly upon those whose budgets cannot be adjusted to compensate for increased expenses.

One participant, Robert A. Backus, Esquire represented the interests of the New Hampshire Audubon Society, the Society for the Protection of New Hampshire Forests and the Seacoast Anti-Pollution League. His oral submission urged a reversal of the declining block rate structure to provide flat rates, the use of some form of peak load pricing and the disallowance of promotional advertising of new energy facilities.

Another participant, the so-called Consumer Utility Conference represented by Nancy Proctor, Secretary, appeared to present a statement as well as a Motion praying for the appointment of an attorney to represent consumer interests in the case. The statement urged matters similar to the matters raised by Mr. Backus (i.e. revised rate structure and peak load pricing) and included a section on "Skyrocketing Rates". The Motion requests the appointment of counsel. Throughout these lengthy proceedings, the Commission and its staff has endeavored, and believes that it has achieved its goal of considering the best interests of the consumers while at the same time fulfilling its statutory obligation of allowing the company the opportunity of earning a reasonable rate of return on its investment in plant and equipment necessary to serve its customers. In this regard, at the outset of the hearings in 1971, the Commission retained Warren E. Waters, Esquire as special counsel to the Commission in these proceedings. Mr. Waters has capably represented both the Commission and the public, the consumer, in every aspect of this rate case including the presentation of direct testimony, cross-examination and oral arguments and written briefs before the New Hampshire Supreme Court. Under these circumstances then, the Motion for Appointment of Counsel is denied.

George C. Bruno, Esquire appeared on behalf of New Hampshire Legal Assistance, a party to this proceeding from the outset. His oral submission urged matters similar to those of Mr. Backus and Ms. Proctor. He, as well as Mr. Backus, joined in the Motion to appoint an attorney which for the reasons heretofore set forth is denied.

In addition, Philip F. McLellan, President of the American Association, appeared to present a statement urging fair treatment to the present and prospective shareholders of the Company.

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All of these participants raised matters which have been extensively debated and examined in previous formal hearings and informal meetings of the Commission.

[7] The Commission and its Staff have for many years exercised a surveillance over the rate structure employed by the public utilities under our jurisdiction, and particularly with respect to the rate structure of Public Service Company of New Hampshire, which serves such a huge portion of consumers in this state. We have encouraged — and the company has undertaken on a continuing basis — load research and cost of service studies. Our review of such research and studies discloses an earnest effort to design rates based upon the generally accepted principle that charges assigned to each several class of consumer are to be determined by reference to the cost of serving that class — a principle which finds statutory support in RSA 378:10. We do not

foreclose further consideration of the matter of rate structure and we affirm our intention to continue the requirement of ongoing research.

The Company has made substantial economy moves to alleviate the economic forces beyond its control. Surveillance of its costs, its capital budgets and its entire operating conditions have been given a very high priority by management and efforts to effect savings will continue. The Company has eliminated three quarters of a million dollars in installation allowances.

Typical of further activities are cutbacks in advertising, charitable donations and use of outside contractors. It has purchased subcompact economy motor vehicles and reduced inventory and supplies to below normal levels. Substantial amounts of construction expenditures have been temporarily deferred on an emergency basis.

While we comment with approval of steps so far taken by the Company to achieve reductions in expenses, we expect continuance of cost-cutting endeavors to the maximum extent consistent with the furnishing of reliable service; and we shall continue to monitor the Company's effort in this regard.

Summary of Proceedings

These proceedings were initiated on July 8, 1971, when Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service primarily in the state of New Hampshire, filed ("Tariff 18") with this Commission a complete revision of its Tariff, N.H.P.U.C. No. 17 — Electric ("Tariff 17").

Pursuant to the authority vested in this Commission by RSA 378:6, on July 14, 1971, by Order No. 10,335, we suspended the proposed rate increase pending an investigation and public hearings, as authorized by the provisions of RSA 378:5.

On July 21, 1971, the Company filed a "Petition for Temporary Rates" with this Commission, pursuant to the provisions of RSA 378:27.

On February 10, 1972 the Company placed its Tariff 18 in effect under a repayment bond as provided by RSA 378:6. The effective date of its Tariff 18, however, was April 11, 1972, as a result of delays occasioned by a federal court action seeking an injunction, and the temporary freeze on utility rate increases imposed by Presidential Order under the federal law.

On August 8, 1972, we issued Order No. 10,679 rejecting Tariff 18, ordering that a new tariff be filed designed to produce an increase in gross revenues of four million three hundred thirty four thousand dollars (\$4,334,000) and ordering that the difference between the amount set in the order and the amount collected under Tariff 18 under bond be refunded.

On August 25, 1972 the company filed a motion for Rehearing on Order No. 10,679. On August 31, 1972 we denied the Motion for Rehearing by Order No. 10,717.

The Company and VOICE appealed to the New Hampshire Supreme Court the decision and order of the Commission, Order No. 10,679 and from the order denying the Motion for Rehearing.

On December 29, 1972 the Company filed Tariff 19 requesting that rates be allowed in excess of the rate increase granted by Order No. 10,679. Pursuant to authority vested in this Commission by RSA 378:6, on January 31, 1973, by Order No. 10,867, we suspended the

proposed rate increase pending an investigation.

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On September 28, 1973 the New Hampshire Supreme Court vacated the orders and remanded the case to this Commission.

On October 5, 1973 and on October 11, 1973 we issued Supplemental Order No. 11,118 and Order No. 11,126 ordering the Company and all other parties to file in writing whatever evidence they deem pertinent to the case, designed to expedite a decision on the remand.

On October 5, 1973 the Company filed with the New Hampshire Supreme Court a Motion for Rehearing on the issue of temporary rates.

On October 23, 1973 the Company filed with the Commission a "Motion for Rehearing" requesting, among other things, that this Commission revoke Supplemental Order No. 11,118 and No. 11,126.

On October 26, 1973 we issued Supplemental Order No. 11,149 suspending Supplemental Order No. 11,118 and No. 11,126 pending further consideration.

On November 5, 1973 the Company filed a petition with this Commission for Temporary Rate and Other Relief.

On November 21, 1973 the New Hampshire Supreme Court denied the Company's Motion for Rehearing on the issue of temporary rates.

On December 21, 1973, we issued Order No. 11,226 (58 NH PUC 111) rejecting Tariff 18, rejecting Tariff 19, ordering that a new tariff be filed with new rates reflecting an annual decrease in gross revenues of two million seven hundred thirty thousand dollars (\$2,730,000), ordering that the difference between amounts collected under bond and the amounts authorized be refunded to customers with interest, and denying the Petition for Temporary Rate and Other Relief filed on November 5, 1973.

On January 9, 1974 the Company filed a Motion for Rehearing on Order No. 11,226. On January 18, 1974 we denied the Motion for Rehearing by Order No. 11,253 (59 NH PUC 122).

The Company appealed to the New Hampshire Supreme Court the decision and order of the Commission, Order No. 11,226, and from the order denying the Motion for Rehearing.

Following a hearing on March 15, 1974 on three preliminary prayers in the appeal of the Company, the New Hampshire Supreme Court, on April 30, 1974 made the following order: "Order No. 11,226 of Commission suspended; order denying Tariff No. 18 as temporary rate vacated; remand limited to hearing on temporary rate; remand on other issues denied."

On May 22, 1974 a hearing on the issue of temporary rates was held at the City Auditorium in Concord.

On June 6, 1974 we issued Supplemental Order No. 11,450 that the rates and charges of Tariff, N.H.P.U.C. No.18 which were made effective under bond by virtue of Order No. 10,562 issued April 14, 1972 be made effective under bond as temporary rates on all current billings rendered on and after January 1, 1974. It was further ordered that effective as temporary rates

with current billings rendered on and after June 1, 1974 the basic rates (exclusive of the fuel surcharge) of Tariff, N.H.P.U.C. No. 18 be increased by ten percent (10%), approximately \$8,077,000 on an annual basis.

The Company filed a Motion for Remand on November 22, 1974. On November 26, 1974 the New Hampshire Supreme Court remanded the case to this Commission.

On November 29, 1974 we ordered that a hearing be held on the issue of permanent rates on December 17, 1974. A hearing was held at the Commission Office, starting at 10:00 a.m.

Our decision has been reached with consideration having been given to the entire record in these lengthy proceedings. Our order will issue accordingly.

Order

In consideration of the foregoing report which is made a part hereof; it is

ORDERED, that a new Tariff NHPUC No. 20 including present fuel surcharge provisions be filed to produce an annual increase in basic rates over Tariff 18 plus 10%, spread proportionately among the various classes under new Hampshire Public Utilities Commission jurisdiction, and within the classes as proportionately as possible, in the amount of \$17,278,000, and it is

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FURTHER ORDERED, that all other tariff filings made subsequent to July 8, 1971 both in effect and standing suspended be and hereby are terminated; and it is

FURTHER ORDERED, that a surcharge, effective with the date of this order, to recoup 10% of Tariff 18 from January 1, 1974 to June 1, 1974 and rate case expenses in the amount of \$3,750,000 be and hereby is permitted and is to be collected on May through October, 1975 billings with final adjustment in November, 1975; and it is

FURTHER ORDERED, that, effective with the date of this order, revenues heretofore collected under bond are hereby released from bond; and it is

FURTHER ORDERED, that a new Tariff NHPUC No 20 authorized above be and hereby is permitted to become effective with all bills based on successive meter readings the latter of which is taken on or after January 1, 1975; and it is

FURTHER ORDERED, that public notice be given of these rate changes by publication of this order in a newspaper having general circulation in the territory served by the Company.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of December, 1974.

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