

NH.PUC*01/03/78*[77996]*63 NH PUC 1*City of Portsmouth

[Go to End of 77996]

Re City of Portsmouth

I-R14,748, Order No. 13,019

63 NH PUC 1

New Hampshire Public Utilities Commission

January 3, 1978

PETITION seeking to provide water service; granted.

BY THE COMMISSION:

Order

Whereas, the city of Portsmouth, which operates a municipal utility selling water and which operation is under the jurisdiction of this commission when service is rendered outside the city limits, has filed with this commission a copy of its Special Contract No. 7 with the town of Durham, effective December 24, 1977, to provide water service to a hydrant off the Portsmouth Water Department transmission line in and for the town of Durham; 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, 1978.

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NH.PUC*01/05/78*[77997]*63 NH PUC 1*Mountain Springs Water Company, Inc.

[Go to End of 77997]

Re Mountain Springs Water Company, Inc.

D-E6481, Fourth Supplemental Order No. 13,022

63 NH PUC 1

New Hampshire Public Utilities Commission

January 5, 1978

PETITION of water company for authority to operate as a public utility; motion to stay implementation of rate increase denied.

PROCEDURE, § 42 — Stay or suspension — Generally.

[N.H.] A motion to stay the implementation of a water company's rate increase filed by a community association was denied because the association failed to show it was likely to prevail on appeal, it would suffer irreparable harm in the absence of the stay, substantial harm would occur to the other parties if the stay was granted, or that the stay was in the public interest.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for stay filed December 30, 1977, for, and on behalf of Mountain Lakes Community Association, Inc. relative to the Mountain Springs Water Company, Inc. rate increase; after full consideration of

Page 1

the allegations in said motion and after further consideration and weighing of the evidence submitted in said motion is of the opinion, and the order is, that said motion for stay be, and hereby is, denied for the reasons that the Mountain Lakes Community Association, Inc. has not:

1. Made a strong showing that it is likely to prevail on appeal; or
2. Shown an irreparable harm to it in the absence of a stay; or
3. Shown substantial harm to the other parties if the stay were granted; or
4. Shown that such a stay was in the public interest.

By order of the Public Utilities Commission of New Hampshire this fifth day of January, 1978.

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NH.PUC*01/05/78*[77998]*63 NH PUC 2*Manchester Gas Company

[Go to End of 77998]

Re Manchester Gas Company

I-R14,749, Order No. 13,023

63 NH PUC 2

New Hampshire Public Utilities Commission

January 5, 1978

PETITION seeking change in gas service rates; granted.

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. 17 with Standard Uniform Rental Service, Inc., effective on the date service is 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 fifth day of January, 1978.

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NH.PUC*01/11/78*[77999]*63 NH PUC 2*Gas Service, Inc.

[Go to End of 77999]

Re Gas Service, Inc.

DR 77-87, Order No. 13,032

63 NH PUC 2

New Hampshire Public Utilities Commission

January 11, 1978

PETITION of a gas company for a rate increase; granted with modifications.

Page 2

1. RETURN, § 35 — Factors affecting reasonableness of return — Economic conditions — Attrition.

[N.H.] The Commission added a 0.2 per cent attrition factor to a gas company's fair rate of return to combat the effect of inflation and to compensate the utility for the erosion in earned rate of return following its rate case. p. 4.

2. REVENUES, § 2 — In general — Estimates for the future — Weather adjustment.

[N.H.] Where a gas company had adjusted its test-year earnings to eliminate revenues generated due to an unusually cold winter and to reflect more normal weather conditions, the

commission, while not accepting the company's formula, recognized the need for such an adjustment and allowed a staff calculated reduction in revenues. p. 4.

APPEARANCES: Charles H. Toll for the petitioner; Steven W. Ruback and Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Gas Service, Inc. (hereinafter referred to as "company"), a New Hampshire corporation engaged in the business of supplying gas service in certain areas of this state, on June 9, 1977, filed revisions to its tariff NHPUC No. 5 — Gas, requesting an increase in annual gross revenues of approximately \$650,000, proposed for effect on July 9, 1977. The commission by its Order No.12,796 pursuant to RSA 378:6 suspended the proposed effective date of said rate increase and instituted this investigation. Duly noticed public hearings were held at commission offices in Concord on November 1, 1977, and December 21, 1977.

The company presented actual financial data for the twelve months ended July 31, 1977, and offered pro forma adjustments through a series of exhibits to establish a test year upon which it makes its claim for the requested increase in annual revenues.

In summary the company requests a fair rate of return of 10.5 per cent based in part on a 13 per cent cost of common equity capital and a rate base of \$7,782,331, which would yield net utility operating income of \$817,145, or an increase over base year net utility operating income of \$140,724.

In examining the rate request the commission has allowed the 10.5 per cent fair rate of return based on a 13 per cent cost of equity capital, has reduced the rate base to \$7,770,820 and has adjusted the base year net utility operating income from \$676,421 to \$566,355.

Cost Capital and Fair Rate of Return

The company prepared and prefiled Exh 14 showing a weighted cost of capital of 10.28 per cent and containing a 13 per cent rate for the cost of common equity, the same rate as has been found in the last two previous rate cases for Gas Service. The records of the commission support this fact. The company cites that the commission's determination of a 13 per cent cost rate was made based upon the testimony of a cost of money expert (T. Vol. 1, p. 128) and after an exhaustive analysis of that issue in 1975. In the company's 1976 rate case the commission allowed the very same 13 per cent cost rate. We find nothing in the record of these proceedings to compel any different result. Intervenors presented no direct testimony on this issue nor did cross-examination establish any testimony to compel a change. Thus, we will allow a 13 per cent cost of equity capital to the company.

Page 3

[1] Over recent years this company and many other New Hampshire utilities of similar size and similarly situated have experienced continuing attrition in earned rates of return following

rate cases. Attrition, or the erosion of earnings, is the result, in part, of inflation which is likely to continue at some rate. The commission has frequently added 0.20 per cent to the overall cost of capital to compensate for the effects of continuing inflation. Accordingly, an 0.20 per cent attrition factor is allowed and we thus find the fair rate of return to be 10.48 per cent, rounded to 10.5 per cent.

Rate Base

The company submitted an average rate base of \$7,782,331 (Exh 13). Line 8 on Exh 13 entitled "Allocation to L.P." refers to the allocation of liquid propane storage costs as between the company's utility and nonutility operations. Although the company allocated 15 per cent of these costs to the nonutility operation and 85 per cent to the utility operation; the record clearly supports a 79 per cent allocation to the utility operation and 21 per cent to the non-utility operation. The result of applying this admitted percentage is to reduce rate base. Accordingly, the adjusted reduced rate base is \$7,770,820.

Weather Adjustment

[2] The company takes the position that the base year was unusually cold and the excessive degree-days resulting therefrom produced company revenues which should not be considered in a test year for rate-making purposes. Variations in temperature from year to year cause important increases and decreases in gas company revenues and earnings. Recognizing the effect of the unusually cold 1976-77 winter the company made a weather adjustment to reflect more normal weather conditions, thereby making the test period more representative.

The company weather adjustment utilized all of the data for which readings were available (Exh 2). The company obtained thirty-six years of climatological data from the National Oceanic and Atmospheric Administration (NOAA) and calculated a confidence interval to determine a normal range. The company degree-day normal interval maximum is 7,603 degree-days, which when compared with actual degree-days for the base period (8,233) yields a degree-day difference of 630 used in the adjustment shown on Exh 2, Schedule B.

This degree-day adjustment translates into a decrease of base period revenues of 5396,463. This downward adjustment to base period revenues increases the company request for revenue. The company in essence is saying that had the base period had normal weather, revenues from sales would have been \$396,463 lower than they actually were.

While the company uses a degree-day difference of 630 for the weather adjustment, commission staff submitted a degree-day difference of 324 which is an average between staff Exh 1 based on ten years of climatological data and staff Exh 2 based on five years of data.

The company calculated a degree-day difference pursuant to a formula (see Exh 2, Schedule B-3) and utilized thirty-six years of climatological data to establish a degree-day confidence interval. The staff calculated a degree-day difference pursuant to a methodology known as a "rolling" or "moving" average and utilized ten years of data (Staff Exh 1) and five years of data (Staff

Exh 2). Legislative Utility Consumers' Council made no calculations but urges the

commission to adopt a weather adjustment based on five years of data.

The company objects to the use of ten or five years of weather data and the objection is well taken. The company cites a Michigan decision (Case Nos. U-3110 and U-3179) in which the commission stated that "the use of a 30-year normal eliminates the distortion which can result if one or two anomalous years are included in a ten-year normal." The New York commission, in a series of cases, has established that "weather adjustments should be based upon all available data so as to minimize the distortion of particularly abnormal years." *Re Consolidated Edison Co. of New York, Inc.* (NY 1973) 98 PUR3d 455, 460; *Re Consolidated Edison Co. of New York, Inc.* (NY 1973) 99 PUR3d 130, 133; and *Re Niagara Mohawk Power Corp.* (NY 1968) 76 PUR3d 349, 359. See also *Re Nashville Gas Co.* (Teen 1975) 11 PUR4th 422 and *Re Southern Union Gas Co.* (NM 1975) 12 PUR4th 219.

Regarding the use of thirty-six years of climatological data it occurs to the commission, on the basis of elementary arithmetic that a 36-year average has more statistical validity than a ten- or five-year average. At best, the process of normalization is an estimate and the greater the statistical validity the better the estimate. For the above reasons we find that all available data should be used in establishing and determining a proper weather adjustment for this company.

While the commission does accept the company position on the use of all available data we do not find that the degree-day confidence interval methodology computes a proper weather adjustment for the company at this time. The Michigan case (*supra*) relied upon by the company in its brief did not use the confidence interval formula but rather a simple arithmetic mean. In addition, the company did not object to the methodology of the "rolling" or "moving" average utilized by the staff in their Exhs 1 and 2. Thus, we have utilized the methodology of the staff and calculated a degree-day difference using all of the data urged by the company.

Applying the staff methodology to the thirty-six years of data, we have computed a 15-year "rolling" or "moving" average which serves to level off most of the fluctuations that occur in the thirty-six years of data. Our method produces a figure of 7,868 degree-days which, when compared to the actual degree-days in the base year (8,235) yields a degree-day difference of 367. This figure more accurately reflects current weather history. Cross-examination established that ten out of the last twelve years occur outside and above the confidence interval indicating colder weather during recent years.

The NOAA data for Concord, New Hampshire (T., pp. 108-110), which was used by the company, established that there is a close correlation between degree-days in Concord and gas sales in the company's three divisions (Exh 2, Schedule B-2). This correlation between gas sales (usage) and degree-day changes is essential in establishing and proving a weather adjustment (see DT 76-66, Concord Natural Gas Corporation, Report, 3). In the Concord case the company failed to show any correlation and thus the weather adjustment was rejected because the company failed to meet its burden of proof.

In this case we have been shown the correlation between gas sales and

weather (Exh 2, Schedule B-1). Legislative Utility Consumers' Council asserts that since the correlation shown on Exh 2, covers a period of only five years the commission should only allow

the use of an average or mean for five years as a basis for the weather adjustment. While it is necessary for a company to show correlation between sales and weather (DT 76-77, *supra*) there is no requirement that a correlation must be shown in each year for which climatological data are used. The correlation indicates that within a range, weather affects the amount of gas sold per customer, especially where a substantial percentage of the utility's customers use gas for space heating. Thus, the correlation shown is representative of gas customers purchasing characteristics over a longer period of time than actually shown.

Recognizing the need for a weather adjustment in such a drastically cold year and based upon the staff methodology and all the weather data available, the commission will allow a weather adjustment of (\$235,375) in contrast to the company's requested adjustment of (\$396,463).

Test-year Expenses

The company filed, and we accept, the expense figures in Exhs 5A, 5B, 7, and 8.

While we recognize that the company made some downward adjustments to reflect the occurrence of unusually cold weather in the base year, we believe that additional adjustment should be made to reflect extraordinary and nonrecurring expenses related to the severe weather of the base year. We adjust the expense for maintenance of distribution mains, maintenance of services, and uncollectible accounts by \$62,000; a final payment of a 1972 \$600 legal fee; and, the balance of a management consultant expense for the Keene division of \$4,500. Thus, the (\$32,123) expense figure shown on Exh 5C should be (\$99,223).

The previous adjustment to rate base for nonutility operations — i.e., the use of a 21 per cent rather than a 15 per cent allocation — requires an adjustment of (\$5,500) to operation and maintenance expense and depreciation expense.

Certain officers' and directors' expenses should not be borne wholly by consumers. Expenses for transporting a director great distances to a meeting several times a year without a showing of necessity we think is a company policy which goes beyond the bounds of reasonableness established by our supreme court in *Pennichuck Water Works v New Hampshire* (1960) 103 NH 49, 52, 36 PUR3d 374. In addition, and based on the same standard, we believe that the payment of \$1,400 per month consultant fees to the two largest stockholders should not be totally borne by consumers. We will allow 50 per cent of each of these expenses or \$8,000.

The result of all these adjustments on Exh 1, Column 3, line 8 is to change the adjustment from \$75,797 to (\$4,550) and line 9 from (\$2,883 to \$4,036).

Exhibit 9 reflects the company's pro forma federal and state tax computation. Due to all the revised adjustments already noted, we disagree with the company's result, but agree with the method of computation. In addition to all the adjustments mentioned earlier, we believe that a portion of debt expense should be amortized to nonutility operations. The amount for the test year should be approximately \$140. This also shows up on Exh 1, Column 3, line 24.

Based upon the foregoing adjustments the total tax decrease should be

(\$68,738) as opposed to the company's exhibit of (\$142,051).

Revenue Requirements

Applying the fair rate of return, 10.5 per cent, to the rate base, \$7,770,820, yields the required net utility income of \$815,936.

Actual net utility income for the base year was \$676,421, prior to adjustments.

The revenue deficiency is calculated as follows, adopting the adjustments previously noted:

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

Net Utility Operating Income	\$ 676,421
Income effect of revised pro forma adjustments	(110,066)
Adjusted	<u>566,355</u>
Required net utility operating income	815,936
Required increase in net utility operating income	249,581
Required increase in revenue	502,428
(\$249,581 ÷ .49675)	

Application of Rate Increases

When the company develops new tariffs to reflect this rate increase, they should reduce total sales for the test year less other sales in the amount of 1 million therms annually rather than the 1.72 million therms as shown on Exh 2-B.

Rates

The company testified that the increase would be apportioned approximately equally in each division. We concur with that method of revenue distribution. They also propose to reduce the rate block differential in the Nashua division general rate and general heating rate. They testified that the intent of this action is to eventually make the two rates the same, a standard which already exists in the Laconia and Keene divisions. We do not object to this approach.

The company proposes to standardize the minimum charge in all three divisions. Currently, a different minimum charge exists in each division. We do not object to this standardization.

The company proposes to add a rate block to the general rate and general heating rate of the Keene division to make it consistent with the blocks of the other two divisions. We concur in this attempted standardization.

The company testified that they would like to increase the cost of gas which is reflected in the basic rates. Such an increase would result in an appropriate reduction in the cost of gas adjustment in order to assure no change in customer bills. We do not object to such a fold-in, and we will direct the company to file appropriate tariff pages to reflect that fold-in. Our order will issue accordingly.

Order

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

Ordered, that Sixth Revised, Page 4, Section 2; Fifth Revised Page 4, Section 4; Sixth Revised, Page 5, Section 2; Third Revised Page 5, Section 3; Fifth Revised Page 5, Section 4;

Sixth Revised Page 6, Section 2; Third Revised Page 6, Section 3; Fifth Revised Page 6, Section 4; Sixth Revised Page 7, Section 2; Third Revised Page 7, Section 3; Fifth Revised Page 7, Section 4; and Seventh Revised Page 8, Section 2; to Gas Service, Inc., tariff, NHPUC No. 5 — Gas, providing for an increase in rates are rejected; and it is

Further ordered, that Section 2, First Revised Page 1; Section 2, First Revised Page 2; Section 2, Ninth Revised Page 3; Section 3, First Revised Page 1; Section

Page 7

3, First Revised Page 2; Section 3, Seventh Revised Page 3; Section 4, First Revised Page 1; Section 4, First Revised Page 2; Section 4, Eighth Revised Page 3; all pertaining to the cost of gas adjustments of the three divisions, be, and hereby are, rescinded; and it is

Further ordered, that new cost of gas calculation pages be submitted which will insofar as practical, result in near-zero cost of gas adjustments for the remainder of the winter period, and which will, additionally, reflect the fold-in of fuel costs which will result in a near-zero current cost of gas adjustment for the remainder of the winter period; and it is

Further ordered, that revised tariff pages be submitted to produce revenues over and above those produced by the basic rates in tariff, NHPUC No. 5 — Gas, by the amount of \$502,428, based on annual sales in therms of approximately one million therms less than those sold in the test year excluding other sales.

By order of the Public Utilities Commission of New Hampshire this eleventh day of January, 1978.

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NH.PUC*01/12/78*[78000]*63 NH PUC 8*Concord Steam Corporation

[Go to End of 78000]

Re Concord Steam Corporation

I-R14,713, Third Supplemental Order No. 13,034

63 NH PUC 8

New Hampshire Public Utilities Commission

January 12, 1978

PETITION of steam supply company for tariff revision; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where a steam supply service corporation filed revisions to its previously suspended tariff which were designed to fold in the cost of oil and thus increase each block of rates, the

commission found the revised filing appropriate and in the best interests of the corporation and its customers and ordered that the revisions become effective on or after the effective date of its order.

BY THE COMMISSION:

Supplemental Order

Whereas, Concord Steam Corporation, a public utility engaged in the business of supplying steam service in the state of New Hampshire, on November 30, 1977, filed with this commission, for effect December 30, 1977, certain revisions to its tariff, NHPUC No. 2 — Steam, designed to fold in the cost of oil from the existing \$2.60 per bbl. to \$14 per bbl., thus adding \$3.07 to each block of the basic rates; and

Whereas, such filing was suspended by Order No. 12,988 of this commission, dated December 9, 1977; and

Whereas, further investigation indicates that such filing is appropriate and in the best interests of both of the corporation and its customers; it is

Ordered, that First Revised Pages 11 and 12 of Concord Steam Corporation tariff NHPUC No. 2 — Steam be, and hereby are, allowed to become effective

Page 8

with bills rendered on or after the effective date of this order; and it is

Further ordered, that the corporation shall henceforth file with this commission, on a quarterly basis, statements entitled "Income Statement and Analysis of Operating Revenues, " such statements to be submitted not later than thirty days following the end of the reporting period, on forms prescribed and provided by this commission; and it is

Further ordered, that public notice of these provisions be given by publication of this order once in a newspaper having general circulation in the territory served.

By order of the Public Utilities Commission of New Hampshire this twelfth day of January, 1978.

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NH.PUC*01/12/78*[78001]*63 NH PUC 9*Hudson Water Company

[Go to End of 78001]

Re Hudson Water Company

I-R14,751, Order No. 13,035

63 NH PUC 9

New Hampshire Public Utilities Commission

January 12, 1978

PETITION seeking to convey title to various water facility properties; granted.

BY THE COMMISSION:

Order

Whereas, Hudson Water Company, a utility selling water under the jurisdiction of this commission, has filed with this commission a copy of its Special Contract No. 12 with Edward J. and Lois G. Roy, effective as of the date of this order for conveyance of title to Hudson Water Company of various water facility properties; 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 of this order.

By order of the Public Utilities Commission of New Hampshire this twelfth day of January, 1978.

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NH.PUC*01/12/78*[78002]*63 NH PUC 9*Mountain Springs Water Company, Inc.

[Go to End of 78002]

Re Mountain Springs Water Company, Inc.

D-E6481, Fifth Supplemental Order No. 13,036

63 NH PUC 9

New Hampshire Public Utilities Commission

January 12, 1978

MOTION for rehearing seeking authority to operate as a public water utility; denied.

Page 9

BY THE COMMISSION:

Supplemental Order

The commission having before it motions for rehearing filed on January 3, 1978, for and on behalf of Mountain Lakes Community Association, Inc., and filed on January 9, 1978, for and on behalf of Mountain Springs Water Company; after full consideration of the allegations in said motions and after weighing the evidence submitted in said motions is of the opinion, and the order is, that said motions for rehearing be, and hereby are, denied.

By order of the Public Utilities Commission of New Hampshire this twelfth day of January, 1978.

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NH.PUC*01/16/78*[78003]*63 NH PUC 10*Concord Electric Company

[Go to End of 78003]

Re Concord Electric Company

DE 78-6, Order No. 13,037

63 NH PUC 10

New Hampshire Public Utilities Commission

January 16, 1978

PETITION of electric company for authority to extend its lines and service; granted.

BY THE COMMISSION:

Order

Whereas, Concord Electric Company, a utility operating under the jurisdiction of this commission, by a petition filed January 5, 1978, seeks authority, pursuant to RSA 374:22 and 26, as amended, to extend its lines and service further into a limited area in the town of Loudon; and

Whereas, that part of the town of Loudon into which the petitioner wishes to extend is presently part of the franchise area of the Public Service Company of New Hampshire; and

Whereas, Public Service Company, by letter dated November 29, 1977, has stated that it has no objection to the granting of the authority sought by Concord Electric 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 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 further into the town of Loudon in an area specifically described as follows:

"Beginning at the northeasterly corner of the franchise area of Concord Electric Company described in commission Order No. 6524 dated January 20, 1955, said corner being 0.5 miles northwesterly of the Loudon-Chichester town line; thence running southwesterly 2,500 feet along the northwesterly boundary of said franchise area; thence running northwesterly 0.3 mile along a line running perpendicular to the first course; thence running northeasterly 2,500 feet along a line running parallel to the first course; thence running southeasterly 0.3

Page 10

mile, along a line running parallel to the second course, to the point of beginning."

By order of the Public Utilities Commission of New Hampshire this sixteenth day of January, 1978.

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NH.PUC*01/17/78*[78004]*63 NH PUC 11*Boston and Maine Corporation

[Go to End of 78004]

Re Boston and Maine Corporation

I-T14,752, Order No. 13,038

63 NH PUC 11

New Hampshire Public Utilities Commission

January 17, 1978

APPLICATION for approval of railroad lease agreement; granted.

LEASES, § 11 — Sites on railroad right of way — Generally — Yards.

[N.H.] The commission approved a lease agreement between a railroad in reorganization and a company acting through its wholly owned subsidiary railroad whereby the reorganizing railroad would lease to the subsidiary all the property within one of its yards and the subsidiary would then provide rail freight and interchange services within the demised premises, finding that the proposed operation would be in the public interest since customers would be assured of continuous service and the lessor would realize a savings beneficial to its reorganization.

BY THE COMMISSION:

Order

Whereas, the Boston and Maine Corporation, debtor (hereinafter "B&M"), a corporation owning and operating railroad properties in the state of New Hampshire, on January 13, 1978, filed with this commission for approval of a lease with the Brown Company acting by its wholly owned subsidiary the Berlin Mills Railway ("Berlin"); and

Whereas, said lease agreement provides that the B&M will lease all of its property in and within its yard in the city of Berlin and the town of Gorham and further provides that Berlin will provide rail freight service to customers on and within the demised premises and to interchange carloads of freight and empty cars at such point within the demised premises; and

Whereas, the commission has investigated the proposed operation and the terms of the lease under which said operation will be conducted; and

Whereas, pursuant to RSA 374:29, the commission finds that the proposed operation pursuant to the lease is in the public interest generally in that the B&M will realize a saving

beneficial to its reorganization and in that the customers of the B&M will be assured of continuous service from the lessee; it is

Ordered, that the lease by and between B&M and Berlin dated August 5, 1977 (a copy of which appears in the file of this case) be, and hereby is, approved.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of January, 1978.

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NH.PUC*01/17/78*[78005]*63 NH PUC 12*Boston and Maine Corporation

[Go to End of 78005]

Re Boston and Maine Corporation

I-T14,753, Order No. 13,039

63 NH PUC 12

New Hampshire Public Utilities Commission

January 17, 1978

APPLICATION for approval of railroad lease agreement; granted.

LEASES, § 11 — Sites on railroad right of way — Generally — Yards.

[N.H.] The commission approved a lease agreement between a railroad in reorganization and another railroad company whereby the reorganizing railroad would lease to the other company all the property within one of its yards and that company would then provide rail freight and interchange services within the demised premises, finding that the proposed operation would assure customers of continuous service and the lessor would realize a savings beneficial to its reorganization.

BY THE COMMISSION:

Order

Whereas, the Boston and Maine Corporation, debtor (hereinafter "B&M"), a corporation owning and operating railroad properties in the state of New Hampshire, on January 13, 1978, filed with this commission for approval of a lease between it and the Green Mountain Railroad Corporation (hereinafter "Green Mountain"); and

Whereas, said lease agreement provides that the B&M will lease all of its property in and within the B&M's yard in the city of Keene and further provides that Green Mountain will provide rail freight service to customers on and within the demised premises and to interchange carloads of freight and empty cars at such point within the demised premises; and

Whereas, the commission has investigated the proposed operation and the terms of the lease under which said operation will be conducted; and

Whereas, pursuant to RSA 374:29 the commission finds that the proposed operation pursuant to the lease is in the public interest generally in that the B&M will realize a saving beneficial to its reorganization and in that the customers of the B&M will be assured of continuous service from the lessee; it is

Ordered, that the lease by and between B&M and Green Mountain Railroad Corporation (a copy of which appears in the files of this case) be, and hereby is, approved.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of January, 1978.

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NH.PUC*01/18/78*[78006]*63 NH PUC 13*Jaffrey Water Works

[Go to End of 78006]

Re Jaffrey Water Works

DR 77-109, Supplemental Order No. 13,042

63 NH PUC 13

New Hampshire Public Utilities Commission

January 18, 1978

MOTION seeking rehearing regarding water rate increase; denied.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for rehearing filed on January 9, 1978, for and on behalf of the Legislative Utility Consumers' Council in the above entitled case; 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 said motion for rehearing be, and hereby is, denied.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of January, 1978.

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NH.PUC*01/23/78*[78007]*63 NH PUC 13*New Hampshire Department of Public Works and Highways

[Go to End of 78007]

Re New Hampshire Department of Public Works and Highways

DT 77-112, Order No. 13,043

63 NH PUC 13

New Hampshire Public Utilities Commission

January 23, 1978

PETITION of highway department for authority to construct a new railroad grade crossing and install signals; granted.

CROSSINGS, § 41 — Establishment — Division of cost.

[N.H.] Where the state sought authority to construct a new railroad grade crossing solely at its own expense but expected the railroad to bear the costs of maintaining the crossing and installing signalling devices, and the railroad claimed that it should not be burdened with those costs because it would receive no benefit from the crossing, the commission found that the railroad should not be required to bear any portion of the construction cost since the crossing would be of very little, if any, benefit to it, but that, according to state statute, it should be required to maintain the crossing and signalling system since they would be located within its right of way.

APPEARANCES: Roderick Cyr, design engineer for the state of New Hampshire Department of Public Works and Highways; John E. O'Keefe for the Boston and Maine Corporation.

BY THE COMMISSION:

Report

By petition filed July 18, 1977, the

Page 13

Department of Public Works and Highways seeks authority to lay out and construct a grade crossing as a portion of the relocation of US Route 202 and for authority to install protection at the same, also to extend the width of and relocate signals at the present grade crossing involving US Route 202 and New Hampshire Route 119, all in the town of Rindge. Hearing thereon was held at Concord, on December 19, 1977.

This project identified as Federal Aid Secondary Project RS 215(1) New Hampshire Project No. p-1242, consists of a relocation of the Contoocook Valley Highway (US Route 202) in the town of Rindge. It provides for a relocation of the highway 3.8 miles in length, a controlled access highway, from a point near the New Hampshire-Massachusetts state line to a point near the West Rindge section of the town north of its intersection with New Hampshire Route 119.

At the present time US Route 202, which is essentially a north and south highway in this area, joins NH Route 119 east of the present grade crossing at which point these highways merge and are concurrent for several hundred feet to a point west of the crossing where it resumes its

north-south direction.

By this proposal the new north-south route would cross the railroad track at grade at a point approximately three-fourth mile south of the present crossing. Thus, all traffic handled by US Route 202 would pass over the new crossing while the traffic proceeding from a point east of Rindge to a point west thereof would continue to use new Hampshire Route 119 and the existing crossing.

The total cost of the project is estimated at \$3.6 million which includes the construction of the new highway, the installation of signals, the widening of the existing crossing and relocation of the signals which protect the same.

The funding of the project will be divided 70 per cent using federal funds and 30 per cent state funds. No contribution from the railroad is expected in the proposed change.

The new crossing is proposed to be 44 feet in width consisting of two 12-foot lanes and two ten-foot paved shoulders. It will cross at an angle of approximately 45 degrees. Its precise location is at Station 253 on the highway plan which corresponds to Railroad Valuation Station 2157. The grade of the highway approaching the crossing from the south descends at 4.24 per cent. Upon reaching a point 300 feet from the crossing this grade is gradually reduced to approximately 3 per cent at the crossing.

Upon approaching the proposed crossing from the north the grade ascends at the rate of 0.40 per cent until reaching a point approximately 500 feet from the crossing where it then gradually increases to approximately 2.5 per cent at the crossing.

Visibility of approaching trains indicates sight distances on the south approach of 710 feet with 620 feet of visibility upon approaching from the north. The alignment of the highway will provide visibility of automatic signals for a distance of at least 1,000 feet for highway travel in both directions.

Present traffic estimates over this highway average 1,560 vehicles per day with a projected estimate in twenty years at 2,740 per day.

The designed speed provides for highway traffic of 60 miles per hour, although the posted speed will be 55 miles per hour. An extra width for stopping lanes will be provided, to lessen the interference with through traffic, for vehicles which are required to stop at railroad crossings.

Page 14

The present crossing at NH Route 119 is 44 feet wide. The proposal is to widen this crossing to 56 feet to provide for three 12-foot lanes, one of which will be a climbing lane for eastbound traffic, and two 10-foot shoulders. This necessitates the relocation of the flashing light protection which has existed at this crossing since it was originally constructed.

It is the position of the state that no portion of the cost of construction is expected from the railroad corporation but the maintenance of the crossing and its protection should be the responsibility of the railroad.

A public hearing of this project was held at Rindge on April 29, 1976, following which the proposal was approved to start the project during the forthcoming winter of 1978 and to be

finished in the fall of 1980.

The proposed new crossing is opposed by the railroad corporation on the basis that it should be an overhead structure. It requests that if a grade crossing is authorized its cost together with its maintenance, and the cost of installing and maintaining any required protection, should also be borne by the state.

Because of the topographical conditions the proposed crossing is near the low points of the highway. As previously indicated the approach to the south is on a 4.24 per cent descending grade through several hundred feet of a cut. The approach from the north is in a very substantial depth of a rock cut which would lend itself to a much less severe grade to construct an overhead bridge and thereby lessen the construction cost because the cut would be considerably less in depth through this rock ledge. This would provide a substantial amount of fill for the approach to the bridge.

Upon cross-examination of highway witnesses it was indicated that the bridge, as proposed by the railroad, together with the required clearance would add approximately \$500,000 to the estimated cost of the project.

One factor leaning toward the grade crossing is the somewhat uncertainty of the ultimate continuance of the railroad service in the area resulting in this additional expenditure with a structure which might later be required to be filled, whereas no problem would be involved if the grade crossing as proposed, is constructed.

The railroad representatives questioned the fact that an overhead bridge will add to the cost of the total project to the extent claimed by the petitioners and indicated that a breakdown should be provided to show the total cost of the bridge and the difference in cost from excavation to the extent necessary to the grade crossing as compared with a lesser excavation in the rocky material for meeting the grade of an overhead bridge.

With respect to the request of the railroad to require the state to assume the cost of the maintenance of the crossing and its protection it is claimed that there will be no benefit whatever to the railroad corporation from the additional grade crossing, that it is an additional safety hazard and is a burden to have to maintain the crossing and the flashing lights. Present traffic consists of two train movements per week at a maximum speed of ten miles per hour. This line has recently been the subject of some upgrading to the extent of renewing approximately 10,000 ties, paid for through funds obtained by the New England Regional Commission in its rail rehabilitation program.

No witnesses were produced by the railroad corporation. It accepted the testimony presented on behalf of the

Page 15

state as being correct in so far as railroad operations are concerned, and relied upon its position as outlined by its attorney.

The provisions of RSA 373:10 states, "The railroad shall maintain signs, signals, gates, or other equipment, installed within the limits of its right of way, after the installation thereof." Testimony was presented as to the proposal of the state in taking land on which the proposed

crossing will be located. The right of way which the state proposes to take for the US Route 202 crossing is a strip 250 feet in width, 125 feet each side of the center of the railroad right of way, although the crossing itself will be 44 feet in width. The crossing protection signals will consist of alternate flashing lights and will be mounted on masts with cantilever arms extending over portions of the highway to place them in position where they will be readily seen by the drivers of vehicles under all conditions.

These masts are usually placed with a clearance of 6 feet from the edge of the traveled way and not less than 12 feet from the center of the line of track. These distances are the recommendation for 90 degrees intersections. With the angular crossing as proposed for US Route 202 the railroad right of way is shown as being 41.25 feet on each side of the center line of the track. The location of the masts under these conditions should be within the limits of the railroad right of way for this crossing and they will also be within the limits of the railroad right of way at the present NH Route 119 crossing after it is rebuilt.

It is the position of the state, however, that even though this portion of land is within its right of way the railroad corporation will also retain its right of access for the purpose of maintaining its tracks, its crossing, and the automatic protection when installed.

From this testimony it is apparent that both the state and the railroad's position are in conflict concerning the application of the statute relating to requiring the railroad to maintain the signs, signals, and gates, and other equipment as set forth in the above quotation.

Section 3 of RSA 373 provides for the apportionment of costs as between the railroad and the state if such crossing is located at the intersection of a railroad and a state highway, trunk line or state aided highway, or between the railroad and the municipality if such crossing is located at the intersection of a railroad and a highway other than those above specified. Consideration in making such apportionments should be given to whether the railroad or the highway was first constructed and to the nature and volume of highway traffic.

Based upon the evidence presented we find that the proposed new highway benefits highway travelers and is of very little, if any, benefit to the railroad.

It will have the effect of separating highway traffic using US Route 202 from that which uses New Hampshire Route 119 because the former will be removed from the present crossing thus eliminating the through traffic on US Route 202 from the present crossing. The changes at the present crossing are also designed to benefit highway traffic with no benefits accruing to the railroad except that in the process of constructing and reconstructing the crossings respectively, all new materials will postpone, for some time, any necessity of maintaining the track other than the clearing of the crossing during inclement weather.

We take judicial notice of the fact that this particular line is one which has been listed by the Boston and Maine Corporation

for study for the possibility of abandonment, if studies should indicate that this course should be taken. It formerly extended to Peterborough, but in 1972 was authorized by the Interstate Commerce Commission to be abandoned at its northerly end and it presently extends into the

town of Jaffrey serving essential industries located there. We find that the crossing and the signal locations will be within what is presently the railroad right of way and within the area taken by the state for certain portions used for highway purposes.

Based upon all of the facts the commission is of the opinion that the proposed crossing should be laid out and constructed and that the Boston and Maine should not be required to bear any portion of the cost of construction. All the signals will be installed within the limits of the present railroad right of way and thus the provisions of RSA 373:10 apply and no apportionment of the cost of maintenance of the crossing or the protection devices shall be made. This shall be a cost to the railroad. Our order will issue accordingly.

Order

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

Ordered, that the state of New Hampshire Department of Public Works and Highways be, and hereby is, authorized to lay out and construct a grade crossing over the tracks of the Boston and Maine Corporation in the town of Rindge at Engineering Station 2157 in accordance with plans on file at this office marked DT 77-112, and it is

Further ordered, that upon opening of the crossing to public travel the said crossing shall be protected by the installation of the approved type of automatic flashing light signals installed in a manner satisfactory to the commission, and it is

Further ordered, that the said New Hampshire Department of Public Works and Highways be, and hereby is, authorized to widen the existing crossing at the intersection of New Hampshire highway Route 119 and US highway Route 202, and the tracks of the Boston and Maine Corporation in the town of Rindge in accordance with the plan on file at the office of this commission marked DT 77-112, and it is

Further ordered, that all the costs of laying out and construction and the widening of the crossings herein authorized shall be borne by the state of New Hampshire and the cost of the installation and relocation of the automatic protection at the crossings authorized herein shall be borne by the state of New Hampshire and the maintenance of the crossings and the protection thereof be borne by the Boston and Maine Corporation.

By order of the Public Utilities Commission of New Hampshire this twenty-third day of January, 1978.

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NH.PUC*01/23/78*[78008]*63 NH PUC 18*Public Service Company of New Hampshire

[Go to End of 78008]

Re Public Service Company of New Hampshire

DR 76-46, 24th Supplemental Order No. 13,044

63 NH PUC 18

New Hampshire Public Utilities Commission

January 23, 1978

PETITION of electric companies for authority to apply a fuel adjustment charge to regular monthly billings to their customers; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where electric utilities had filed revisions to their tariffs comprising the monthly calculation of their fuel adjustment charges, the commission found that the filings were in accordance with the applicable provisions of law, that the proposed fuel adjustment charges were just and reasonable, and approved the rate increases.

APPEARANCES: Eaton W. Tarbell and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Richard F. Gilmore for Exeter and Hampton Electric Company; Diane Gilman for Connecticut Valley Electric Company, Inc.; John Pillsbury for New Hampshire Electric Cooperative, Inc.; Kirk Ramsauer for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Robert Brown for Woodsville Water and Light Department; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378 :3-A(II), the commission, on January 19, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular February, 1978 monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on January 12, 1978, filed with this commission 15th Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect February 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corporation. Woodsville reported that during the month of December, 1977, the total fuel cost billed by Central Vermont was a credit of \$1,756.87. During this same period the total kilowatt-hours sold by Woodsville was 716,583. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of February, 1978, is a credit of 25 cents per hundred kilowatt-hours.

Page 18

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on January 16, 1978, filed with this commission 49th Revised Page 6 to its tariff, NHPUC No. 1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect February 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of December, 1977, was \$2,696.22. During this period the total kilowatt-hours sold by Littleton was 3,138,597. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of February, 1978, is nine cents per hundred kilowatt-hours.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on January 11, 1978, filed with this commission 39th Revised Page 9A to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect February 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of December, 1977, the total fuel cost billed by Public Service Company was 531,843.56. During this same period the total kilowatt-hours sold by Wolfeboro was 2,479,137. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of February, 1978, is \$1.28 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on January 16, 1978, filed with this commission 41st Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect February 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was \$27,425.73. Total sales to Granite State customers during the same period were 32,351,660 kilowatt-hours. By simple division this yields \$.0008 to which is added the fixed fuel portion of \$.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of February, 1978, is proposed to be \$1.32 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on January 14, 1978, filed with this commission 45th Revised Page 13 to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on February 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of December, 1977, was \$325,338. Total sales by the Co-op during the same month were 25,955,753 kilowatt-hours. The fuel adjustment, therefore, by sim-

ple division and rounded which is proposed for effect in the month of February, 1978, is

\$1.25 per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on January 19, 1978, filed with this commission 10th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect February 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of December, 1977, the total fuel cost billed by Central Vermont was a credit of \$27,094. During this same period the total kilowatt-hours sold by Connecticut Valley was 13,807,407. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of February, 1978, is a credit of 19 cents per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on January 12, 1977, filed with this commission 31st Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect February 1, 1978. Exeter and Hampton purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of December, 1977, was \$352,196.32. Total sales by Exeter and Hampton during the same period were 27,864,231 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of February, 1978, is \$1.26 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on January 12, 1978, filed with this commission 35th Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect February 1, 1978. Concord Electric purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of December, 1977, was \$325,683.40. Total sales during that same period were 24,434,557 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of February, 1978, is \$1.33 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on January 17, 1978, filed with this commission 3rd Revised Pages 17 and 18 to its tariff, NHPUC No. 21 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect February 1, 1978.

Page 18 of the company's fuel sur-

charge filing for February, 1978, indicates that fuel costs above base for the data month of December, 1977, was \$6,372,034. During this same period the kilowatt-hours subject to the fuel adjustment were 474,708,000. The fuel adjustment, therefore, by simple division and rounded is \$1.34 per hundred kilowatt-hours which is proposed for effect in the month of February, 1978.

The increase in this fuel adjustment is due to higher loads experienced by the company during the data month of December. The higher loads are an expectable result during a winter month. Since the loads were higher the company had to utilize some of its more expensive units which were needed to meet the load. Purchases from NEPEX increased to meet this higher load and the higher charges from NEPEX also indicate generally higher loads throughout New England.

Based upon all of the evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of February, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Third Revised Pages 17 and 18 of Public Service Company of New Hampshire tariff NHPUC No. 21 — Electricity, providing for the monthly fuel surcharge of \$1.34 per hundred kilowatt-hours for the month of February, 1978, be, and hereby are, permitted to become effective February 1, 1978; and it is

Further ordered, that 35th Revised Page 15-A of Concord Electric Company tariff NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.33 per hundred kilowatt-hours for the month of February, 1978, be, and hereby is, permitted to become effective February 1, 1978; and it is

Further ordered, that 31st Revised Page 16 of Exeter and Hampton Electric Company tariff NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.26 per hundred kilowatt-hours for the month of February, 1978, be, and hereby is, permitted to become effective February 1, 1978; and it is

Further ordered, that Tenth Revised Page 18 of Connecticut Valley Electric Company, Inc., tariff NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of a credit of \$.19 per hundred kilowatt-hours for the month of February, 1978, be, and hereby is, permitted to become effective February 1, 1978; and it is

Further ordered, that 45th Revised Page 13 of New Hampshire Electric Cooperative, Inc. tariff NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.25 per hundred kilowatt-hours for the month of February, 1978, be, and hereby is, permitted to become effective February 1, 1978; and it is

Further ordered, that 41st Revised Page 15A of Granite State Electric Company tariff NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.32 per hundred kilowatt-hours for the month of February, 1978, be, and hereby is, permitted to become effective February 1, 1978; and it is

Further ordered, that 39th Revised Page 9A of the Municipal Electric Department of Wolfeboro tariff NHPUC No. 4 — Electricity, providing for the

Page 21

monthly fuel surcharge of \$1.28 per hundred kilowatt-hours for the month of February, 1978, be, and hereby is, permitted to become effective February 1, 1978; and it is

Further ordered, that 49th Revised Page 6 of Littleton Water and Light Department tariff NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of nine cents per hundred kilowatt-hours for the month of February, 1978, be, and hereby is, permitted to become effective February 1, 1978; and it is

Further ordered, that 15th Revised Page 10B of Woodsville Water and Light Department tariff NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of a credit of 25 cents per hundred kilowatt-hours for the month of February, 1978, be, and hereby is, permitted to become effective February 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-third day of January, 1978.

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NH.PUC*01/24/78*[78009]*63 NH PUC 22*Estate of Edgar J. Liberty, d/b/a Liberty's Eastern Express et al.

[Go to End of 78009]

Re Estate of Edgar J. Liberty, d/b/a Liberty's Eastern Express et al.

DT 77-156, Order No. 13,046

63 NH PUC 22

New Hampshire Public Utilities Commission

January 24, 1978

PETITION for authority to transfer household goods certificate of public convenience and necessity; granted.

1. CERTIFICATE, § 143 — Transfer — Matters considered; convenience and necessity — Ability to perform.

[N.H.] Where the commission receives a petition for the transfer of a household goods certificate of convenience and necessity, the transfer will be permitted upon a finding that the rights initially granted are presently valid and serve a present need based on actual, substantial, and continuous exercise of those rights by the transferor and a finding that the transferee is fit, willing, and able to perform the transferred operations. p. 23.

2. CERTIFICATES, § 168 — Procedure — Evidence — Burden of proof in transfer case.

[N.H.] Where a petitioner, as in a transfer case, relies solely on evidence of past operations, proof of such operations is required to be convincing, but whereas the issue of public convenience and necessity had already been determined, as at the time of the original grant of the certificate, the quantum of proof in a transfer case is not required to be as comprehensive and complete. p. 24.

3. CERTIFICATES, § 137 — Transfer — Generally — Interruption in service.

[N.H.] The commission may allow the transfer of a household goods certificate of public convenience and necessity even though there has been an interruption in service, if that interruption was beyond the control of the transferor. p. 24.

4. CERTIFICATES, § 137 — Transfer — Generally — Authorization.

[N.H.] The commission authorized the transfer of a household goods certificate of public convenience and necessity upon findings that the transferor was an authorized carrier, that the certificate was validly issued, that since its is-

Page 22

suance the transferor had actually, substantially, and continuously operated within the scope of that certificate despite a slight interruption in operations caused by the illness and death of the owner, and that the operations under the certificate were meeting a present need that should continue to be served; the commission also took administrative notice of decisions in which the transferee had been found fit, willing, and able to perform like operations. p. 24.

5. CERTIFICATES, § 138 — Transfer — Transferability of rights — Grand-father rights.

[N.H.] Where a household goods certificate of public convenience and necessity was issued under a grandfather clause, a request by the transferee of the certificate for a relocation of the base of operations was granted because the transferor had operated the business on a statewide basis and the change would not violate a state supreme court directive that such relocations must not substantially change the parity between future operations and the carrier's prior bona fide operations. p. 25.

APPEARANCES: Silas Little, III for Marie Liberty and Stan's Van Service, Inc.; William S. Green and Stephen E. Weyl for Diggins & Rose, Inc., Kinball & Brown, Ray the Mover, Sullivan & Hansbury Movers, L. E. Bagley, Van Fleet Moving & Storage, H. L. White, McLaughlin Movers, C. O. Bonner, Ray the Mover of Portsmouth, Whalen Movers, Seacoast Trucking, and L. V. Regan.

BY THE COMMISSION:

Report

By this opposed petition for transfer filed November 4, 1977, Stan's Van Service, Inc. (hereinafter "Stan's") and the estate of Edgar J. Liberty, d/b/a Liberty's Eastern Express (hereinafter "Liberty") request the commission to approve the transfer of Household Goods Certificate of Public Convenience and Necessity No. 46 from Liberty (the transferor) to Stan's

(the transferee). Liberty was issued this certificate as a matter of right pursuant to the grandfather provision of RSA 375-A :3 (see D-T4198, Order No. 8096 dated August 26, 1963). A duly noticed hearing was held at the office of the commission on January 6, 1978.

RSA 375-A:7 provides that "no certificate, nor any rights thereunder shall be transferred without the approval of the commission" and the present petition for transfer is filed pursuant to that statutory provision. The petition alleges that Liberty is a duly authorized household goods carrier and prays that the transfer of the certificate be approved and also prays that the certificate be "deemed domiciled, located, and have a base of operations in Nashua and/or Milford, New Hampshire."

[1] Upon receipt of a petition for transfer the commission routinely initiates a field investigation into the business of the transferor to determine the extent of the exercise of the rights since their issuance. If the investigation shows that the exercise of the rights are actual and substantial and that these rights have been thus continually exercised, a finding is made that the rights initially granted are presently valid and service a present need. Another aspect of the routine investigation is the examination of the fitness, willingness, and ability of the transferee. If the investigation shows that the transferee is fit, willing, and able to perform the transferred operation such a finding is made and the transfer is made without hearing. This procedure is similar to the procedure followed by the Interstate Commerce Commission.

Page 23

If, in the course of the commission investigation, questions develop concerning either the ability or fitness of the transferee or the matters involving the exercise of rights since their issuance, a hearing is scheduled as it was in this case. During the course of the investigation in this matter a question arose concerning the possible dormancy of the operations of Liberty because of an illness which he sustained and also because of his eventual death prior to the request for transfer. The commission held a hearing in this matter to elicit further factual evidence under oath regarding the consistency, substantiality, and the continuity of the operations of Liberty.

Thus, the only question presented to this commission in this proceeding is whether or not Liberty had exercised Certificate No. 46 actually, substantially, and continually from the time that it was issued to the time that it is proposed to be transferred. We do not reach the issue of fitness since our investigation did not raise any questions regarding the fitness of the transferee, nor did any fact appear at the hearing on this matter to seriously question the fitness of the transferee. Especially is this so in view of the fact that this commission, in docket DT 76-167 on February 14, 1977, made an affirmative finding of fitness, willingness, and ability.

Applicant's requests for findings of fact Nos. 1-15, 18, 20, 21, 25, and 26 are hereby granted. Protestants requests for findings of fact Nos. 1-5, 8, and 15 are granted. Protestants requests for rulings of law Nos. 2 and 3 are granted. All other requests for findings of fact and rulings of law not specifically granted and not hereinafter disposed of and not consistent with this decision are denied.

[2] Where a petitioner, as in a transfer case, relies solely on evidence of past operations, proof of such operations is required to be convincing but whereas issue of public convenience

and necessity has already been determined (as at the time of the original grant of the certificate) the quantum of proof in a transfer case is not required to be as comprehensive and complete.

[3] In analyzing transfer petitions in the past this commission had allowed a transfer even though there has been an interruption in service, if that interruption was beyond the control of the transferor. For example, a break in the continuity of an existing operation due to ill health of the operator is an interruption over which the transferor had no control and, thus, such an interruption will not prevent the transfer of the rights. As another example, the death of a transferor might interrupt service until such time as the administrator of his estate can cause a resumption of operations. The commission has viewed this interruption as being beyond the control of the transferor and, thus, not determinative of a denial of a transfer request.

[4] The evidence in this proceeding shows that the operations of Liberty have been actual and substantial since the time of their original grant. There is testimony that the records of the business contain numerous receipts for shipments to numerous points in the state of New Hampshire throughout the entire period of the existence of Certificate No. 46. Mr. Liberty, however, did become ill and did eventually die. His business suffered a slight interruption in operations but was basically continually operated in accordance with the terms of his certificate.

Based upon all of the foregoing evidence, the commission finds that Liberty is an authorized carrier, that

Page 24

Certificate of Public Convenience and Necessity No. 46 was validly issued, that since its issuance Liberty has actually, substantially, and continually operated within the scope of that certificate and that, therefore, the operations thereunder are meeting a present need that should continue hereafter to be served. Since the commission has made the finding of the fitness, willingness, and ability of the transferee in other matters, and since we have taken administrative notice of those decisions such a finding is supported here.

[5] Stan's has been before the commission several times in the last few years and has been vigorously represented in his quest to locate his household goods transportation business in Nashua. Stan's first requested a relocation from Laconia to Nashua and now he requests a relocation from Milford to Nashua. Each request has met with vigorous opposition. For comparative purposes a review of the Laconia — Nashua request is helpful.

For a complete history of Household Goods Certificate of Public Convenience and Necessity No. 51, reference may be made to commission dockets D-T4205 (Raymond S. Merrill, d/b/a R. S. Merrill); D-T6286 (Doris B. Merrill, administratrix, estate of Raymond S. Merrill and Sheldon S. Theall); DT 74-85 (Sheldon S. Theall and Sheldon S. Theall Moving, Inc.); DT 75-75 (Sheldon S. Theall Moving, Inc. and Stan's Van Service, Inc.); I-T14, 463 (Stan's Van Service, Inc.); DT 76-54 (Stan's Van Service, Inc.) and DT 76-167 (Stan's Van Service, Inc.) We take administrative notice of these dockets and their contents.

DT 75-75 resulted in Order No. 11,9-99 and authorized a transfer of Certificate No. 51 to Stan's but restricted the base of operations to Laconia. The commission decision detailed the reasoning and logic pertaining to the importance of a base of operations. In summary, the commission stated that the base of operations had a very direct bearing on the service performed

and cited *Milne v New Hampshire* (1973) 113 NH 516 which examined certificates issued under grandfather statutes and stated that "such statutes are intended to maintain a substantial parity between future operations and the carriers' prior bona fide operations." The commission thus disallowed a change of the base of operations from Laconia to Nashua, stating that this "appears to constitute a complete change." Implicit in the commission's direct findings in DT 75-75 is the implied finding that such a change under the Milne test would not result in a situation of substantial parity.

DT 76-54 was an investigation into Stan's compliance with the commission order regarding a Laconia base of operations. In that decision the commission reaffirmed its earlier findings that in the case of a grandfather certificate originally issued for operations out of the Laconia area, it would be violative of the Milne test to allow the base of operations to move to Nashua.

The case before us now confronts the same issue of base of operations but on different facts. The Liberty certificate, also issued under the grandfather clause is a grandfather right and, therefore, the Milne test applies in its proposed transfer. Liberty's business, however, as the record shows, operated a statewide household goods moving business based in Milford which is 4.2 miles from Nashua (Transcript, 37). This greater proximity to Nashua sheds a different light on the request to relocate the base of operations in Nashua, especially in

Page 25

view of certain dicta in the Milne decision (*supra*) and in *New England Household Moving & Storage, Inc. v New Hampshire*, decided December 30, 1977.

In establishing the Milne test the court indicated that the grandfather statutes should be liberally construed toward prior holders of permits and stated that the parity sought to be achieved should be "substantial." In *New England Household* the court cited the free and fair competition provision of the New Hampshire constitution while vacating a commission order which denied authority to a household goods carrier.

In the instant case a change of the base of operations from Milford to Nashua would not substantially change the parity between future operations and the carrier's prior bona fide operations. We think this is so because of the greater proximity Milford has to Nashua. A statewide household goods business operated from a base in Milford is not likely to be substantially different than operations from a base in Nashua.

In the earlier Stan's case involving a change of base of operations from Laconia to Nashua we stated that the original authority "was characterized by service to the general public in the general area of Laconia where the business was located" and thus disallowed a relocation to distant Nashua. Here, the service of Liberty was characterized as statewide service from Milford. In our opinion there would be practically no change in the statewide service to the public if a household goods certificate was operated out of Nashua instead of Milford.

In our earlier decision we also stated that the "base of operation ... has a very direct bearing on the actual service performed because it would be unusual for a person in Laconia who desired to move to a distant point in New Hampshire to secure the services of a carrier in Nashua unless the movement was to that point." The facts of the case before us are readily distinguishable. Prospective customers of a Milford based business could just as easily and conveniently secure

the services of a Nashua based business. Thus, the character of the service provided by Liberty in Milford will not differ substantially from the services provided by Stan's in Nashua. Also, the competitive position of existing carriers who are now in competition which the transferor's business is not likely to be affected because Stan's is not a new entrant but rather a substitution for another active business. To the extent that the transferee's (Stan's) business may grow there will be a reaffirmation of the fact that the public convenience and necessity continues to be served. Accordingly, the transfer is granted and our order will issue.

Order

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

Ordered, that the estate of Edgar J. Liberty, d/b/a Liberty's Eastern Express be, and hereby is authorized to transfer Household Goods Certificate of Public Convenience and Necessity No. 46 as issued under Order No. 8096 dated August 26, 1963, to Stan's Van Service, Inc.; and it is

Further ordered, that Stan's Van Service, Inc. be, and hereby is, authorized to receive the said Household Goods Certificate of Public Convenience and Necessity No. 46, and upon consummation of the transfer to continue operations thereunder; and it is

Further ordered, that the base of

Page 26

operations be located in either the city of Nashua or the town of Milford; and it is

Further ordered, that said operations shall comply with the provisions of RSA 375-A and the rules and regulations prescribed by the public utilities commission pursuant thereto.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of January, 1978.

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NH.PUC*01/27/78*[78010]*63 NH PUC 27*Gas Service, Inc.

[Go to End of 78010]

Re Gas Service, Inc.

DR 77-87, Supplemental Order No. 13,047

63 NH PUC 27

New Hampshire Public Utilities Commission

January 27, 1978

PETITION of gas company seeking rate increase; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, Gas Service, Inc., in compliance with commission Order No. 13,032, dated January 11, 1978, has filed with this commission revised tariff pages as follows:

Section 2, Second Revised Pages 1, 2 Section 2, Tenth Revised Page 3 Section 2, Seventh Revised Pages 4-7 Section 2, Eighth Revised Page Section 3, Second Revised Pages 1, 2 Section 3, Eighth Revised Page 3 Section 3, Fourth Revised Pages 5-7 Section 4, Second Revised Pages 1, 2 Section 4, Ninth Revised Page 3 Section 4, Sixth Revised Pages 4-7;

and

Whereas, said pages effect a near zero cost of gas adjustment, and provide increased revenues approximately in the amount directed by commission Order No. 13,032; it is

Ordered, that the above listed pages be, and hereby are, permitted to become effective as of January 12, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of January, 1978.

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NH.PUC*01/30/78*[78011]*63 NH PUC 27*New England Telephone and Telegraph Company

[Go to End of 78011]

Re New England Telephone and Telegraph Company

DE 78-4, Order No. 13,048

63 NH PUC 27

New Hampshire Public Utilities Commission

January 30, 1978

PETITION of telephone company for a license to place and maintain an aerial plant over a river; granted.

Page 27

TELEPHONES, § 2 — In general — Construction and equipment — Licensing.

[N.H.] The commission granted a license to a telephone company to place and maintain an aerial plant over a river where the construction was necessary to provide additional toll telephone circuits to meet the requirements of the public, no other interested parties recorded any objections to the proposed construction, and the exercise of the license would not substantially affect public rights or the waters crossed.

BY THE COMMISSION:

Order

Whereas, by petition filed January 5, 1978, New England Telephone and Telegraph Company seeks a license pursuant to RSA 371:17-20 to place and maintain an aerial plant over the Pemigewasset river in the towns of Ashland and Bridgewater; and

Whereas, the petitioner represents that the proposed construction will cross approximately 600 feet of the river from pole No. 380/453 in Bridgewater to pole No. 380/452 in Ashland and is designed to provide additional toll telephone circuits in the company's area between the Ashland and Plymouth exchanges; 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 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 New England Telephone and Telegraph Company to place and maintain an aerial plant over the Pemigewasset river in the towns of Ashland and Bridgewater, 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 January, 1978.

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NH.PUC*02/07/78*[78012]*63 NH PUC 28*Merrimack County Telephone Company

[Go to End of 78012]

Re Merrimack County Telephone Company

IR 14,756, Order No. 13,057

63 NH PUC 28

New Hampshire Public Utilities Commission

February 7, 1978

PETITION of telephone company seeking rate reduction and service improvement; granted.

BY THE COMMISSION:

Order

Whereas, Merrimack County Telephone Company, a public utility engaged in the business of supplying telephone service in the state of New Hampshire, on January 23, 1978, filed with this commission First Revised Page

20C, Section 3, Tariff No. 6; Fourth Revised Page 1, Section 2, Supplement No. 1; First Revised Page 1A, Section 2, Supplement No. 1; and First Revised Page G2-A, Section 3, Supplement No. 1, designed to provide for rate reductions and service improvements to certain customers in its Hopkinton exchange, proposed for effect February 15, 1978; and

Whereas, after due consideration and investigation, this commission finds that the filing is in the public interest; it is

Ordered, that First Revised Page 20C, Section 3 of Tariff No. 6 and Fourth Revised Page 1, Section 2, Supplement No. 1, and First Revised Page 1A, Section 2, Supplement No. 1 and First Revised Page G2A, Section 3, to Supplement No. 1, be, and hereby are, authorized to become effective on February 15, 1978; and it is

Further ordered, that notification of this approval will be made in a manner which will assure that all affected parties are advised.

By order of the Public Utilities Commission of New Hampshire this seventh day of February, 1978.

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NH.PUC*02/07/78*[78013]*63 NH PUC 29*New England Household Moving and Storage, Inc.

[Go to End of 78013]

Re New England Household Moving and Storage, Inc.

DT 76-122, Order No. 13,058

63 NH PUC 29

New Hampshire Public Utilities Commission

February 7, 1978

APPLICATION by a motor carrier for authority to operate as a carrier of household goods; granted.

1. CERTIFICATES, § 168 — Procedure — Evidence.

[N.H.] Where a motor carrier had applied for a certificate of public convenience and necessity to operate as a carrier of household goods and had presented as evidence quality control forms regarding interstate moves containing favorable opinions of the carrier, the commission found that the forms were evidence of the fitness of the carrier, the quality of the service that would be provided, and that the public would benefit from such service. p. 31.

2. CERTIFICATES, § 168 — Procedure — Evidence.

[N.H.] The commission found that letters submitted by potential patrons in support of the granting of a certificate to a motor carrier for authority to operate as a carrier of household goods, while not indicating any failure on the part of present carriers to meet the household goods transportation needs, were some evidence that the proposed service would be required by the present or future public convenience and necessity. p. 31.

3. MONOPOLY AND COMPETITION § 62 — Competition — Grant of certificate.

[N.H.] Where an applicant for a certificate to operate as a carrier of household goods was known to be a reputable and good carrier which offered a service beneficial to potential customers, the commission granted the certificate based upon findings that the applicant was fit, willing, and able to perform the service, that the proposed service would be required by present or future public convenience and necessity, that the grant of authority would foster beneficial competition

Page 29

and possibly induce competing carriers to improve or augment their services, and the grant would secure the benefits of improved service without being unduly prejudicial to the existing service. p. 32.

BY THE COMMISSION:

Supplemental Report

On December 30, 1977, the New Hampshire supreme court ("court") vacated the commission decision denying a certificate of public convenience and necessity to New England Household Moving and Storage, Inc. ("New England"). The case is remanded to the commission for the development of findings on the existing record to support a new order consistent with the court's opinion. In its decision the court cited the case of *Nashua Motor v United States* wherein the federal district court in New Hampshire (as affirmed by the United States Supreme Court) decided that "the absence of a finding of inadequacy (of existing carrier services) is not alone sufficient to bar the issuance of a certificate when *other factors* (emphasis added) justify a finding of public convenience and necessity." Our court likewise found that it was error to require New England to prove the inadequacy of existing carriers service as a prerequisite to meeting its burden of proof on the question of public convenience and necessity. The court, however, cited an earlier precedent (*Household Goods Carriers Asso. v Ouelette*, 197 NH 199) in acknowledging that adequacy of existing services is a factor to be considered in analyzing the evidence. In light of this decision we will reanalyze the evidence in this record and we consider *several factors* in coming to this determination. In our analysis we attempt to determine:

1. Whether the new operation will serve a useful purpose responsive to a public demand or need;
2. Whether this purpose can and will be served as well by existing carriers; and
3. Whether the service can be carried out without endangering or impairing the existing

carriers to the detriment to the public interest.

It is a corollary to the above standards of public convenience and necessity that existing certificated carriers are not entitled to immunity from competition. Indeed, our court in the New England decision states that "other factors, including the desirability of additional competition, may warrant a finding that the additional service is required by the public convenience and necessity although existing carriers can adequately fill present and future need." The existing carriers, however, are entitled to some protection under our statutes (RSA 375-B:1) controlling entry in the transportation business. Thus the commission considered that existing motor carriers should normally be accorded the right to transport all traffic which they can handle adequately, efficiently, and economically in the territory served by them. In doing so our responsibility is to protect the public from irresponsible operators, to prevent wasteful duplication of services and to protect the investment in existing carrier facilities. The question then is raised in this case or remand as to whether or not the commission can find that even though the existing carriers may be providing adequate, efficient, and economic service to the public, the entry of New England will not lead to wasteful duplication of services and unnecessary competition and that the entry of New England into the moving business will not create an over-

Page 30

supply which would be detrimental to all of the carriers and ultimately to the public.

In balancing the interests of a new proposed service and the existing services we examine the rationale behind control of entry into the motor carrier industry. This entire area of regulation of the motor carrier industry leads to a conflict. The conflict is that of our governmental policy of free competition versus administrative control of this competition in certain areas by legislative mandate. Indeed, our court in the New England case has cited the New Hampshire constitution provisions regarding free and fair competition in the trades and industries.

The court in their decision has suggested we consider the issue of competition. Competition is a factor to be considered when dealing with public convenience and necessity. Competition, we think, should be analyzed in terms of the resulting benefit that it would have on the general public, not in terms of equalizing competition among competitors. Since it is the statutorily imposed duty of this commission to consider public convenience and necessity we consider the factors of the level and quality of competition in the household goods moving business.

In 1963 when RSA 375-A became law 62 household goods certificates were issued to carriers who were operating on the date the law took effect (grandfather rights).

Since 1972, one application for a household goods certificate was dismissed without prejudice (Charron Furniture Company), three were denied (Lambert, New England Household and Stan's Van Service) and one was granted (Margosian). In view of the court's decision in the New England case we reevaluate and reanalyze the evidence in the record.

Our original decision stated that although a group of quality control forms contained favorable opinions of the carrier, they "do not substantiate the burden of proof concerning the public convenience and necessity between points in New Hampshire" because all of these quality control forms involved interstate moves and could not be considered to support public convenience and necessity for a new Hampshire applicant. Our decision, however, did state that

such evidence would support the fitness of the applicant.

[1] This commission is interested in securing to the general public the best service that is available in the household goods industry. While we are mindful that we should not indiscriminately grant applications which may lead to unnecessary and duplicative competition, we are aware that in certain instances a grant of authority would not accord an applicant an undue competitive advantage over existing services but rather would afford that applicant only the proper advantages he can himself produce by offering a service more effectively tailored to the personal needs of the members of the New Hampshire community. We, therefore, find that the quality control forms containing favorable responses regarding New England Household are evidence of the fitness of the carrier, evidence of the quality of service that will be provided, and evidence that the public will benefit thereby.

[2] In our deliberation the commission examined 13 letters of support from patrons of New England and concluded that the potential users of applicant's service do not indicate any failure on the part of present carriers to meet the

Page 31

household goods transportation needs. That finding is still supported by the evidence but we make the additional finding that the letters of support are some evidence that the proposed service is or will be required by the present or future public convenience and necessity.

[3] The applicant is generally known to be a very reputable and good carrier and offers a service which would be beneficial to the potential customers in the state of New Hampshire even though those customers may now be able to obtain service from existing carriers. It appears that a grant of authority to the applicant would foster beneficial competition among the existing carriers. Hopefully, by granting authority to the present applicant this may induce the protestants (existing carriers) to improve or augment their services to meet this competition thereby affording the public the benefit of healthy competition through improved services. Although the finding that the existing carriers are adequately handling the present traffic may be supported by the evidence, it is also a supportable finding that the introduction of a new service, a new competitive service, will benefit and serve the convenience and necessity of the public where it will secure the benefits of improved service without being unduly prejudicial to the existing service.

Based upon the record in these proceedings and upon the holding and the dicta appearing in the opinion of the supreme court, the commission, in this supplemental decision, has considered "the desirability of additional competition." The commission finds that the applicant is fit, willing, and able to perform the proposed service and that the proposed service is or will be required by the present or future public convenience and necessity. Our order will issue accordingly.

Order

Household Goods Certificate of Public Convenience and Necessity No. 81

Based upon the foregoing report, which is made a part hereof; it is

Ordered, that New England Household Moving and Storage, Inc. of Nashua be, and hereby

is, authorized to operate as a household goods carrier as follows:

From points and places in Hillsborough, Rockingham, and Cheshire counties to all points and places in New Hampshire; and; it is

Further ordered, that said operations shall comply with RSA 375-A and the rules and regulations pursuant thereto.

By order of the Public Utilities Commission of New Hampshire this seventh day of February, 1978.

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NH.PUC*02/09/78*[78014]*63 NH PUC 33*Public Service Company of New Hampshire

[Go to End of 78014]

Re Public Service Company of New Hampshire

DF 78-11, Order No. 13,062

63 NH PUC 33

New Hampshire Public Utilities Commission

February 9, 1978

PETITION of an electric utility for authority to mortgage property, to issue and sell general and refunding mortgage bonds, and to issue and pledge first mortgage bonds; granted.

SECURITY ISSUES, § 58 — Purposes of capitalization — Additions and betterments.

[N.H.] An electric utility was authorized to mortgage its present and future property, tangible and intangible including franchises under a general and refunding mortgage indenture, to issue and sell general and refunding mortgage bonds, and to issue first mortgage bonds to pledge as additional security for the general and refunding bonds where the commission was satisfied that the proceeds would be expended to pay off short-term notes which had been incurred in the purchase and construction of property reasonably required for present and future use in the conduct of the utility's business.

APPEARANCES: Ralph H. Wood and Russell A. Winslow for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed January 25, 1978, 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 mortgage its

present and future property, tangible and intangible including franchises, under a general and refunding mortgage indenture (the "G&R indenture"), to issue and sell for cash \$40 million of general and refunding mortgage bonds, Series A (the "Series A G&R bonds"), to issue \$10 million of first mortgage bonds, Series W (the "Series W first mortgage bonds") to be pledged as additional security for the Series A G&R bonds, and to mortgage its present and future property, tangible and intangible including franchises, as security for the Series W first mortgage bonds. The Series A G&R bonds and all other bonds issued under the G&R indenture are hereinafter referred to as the "G&R bonds." At the hearing on the petition, held in Concord on February 8, 1978, the company submitted that the proceeds of the Sale of the Series A G&R bonds will be used to pay off a portion of the short-term notes outstanding at the time of the sale (estimated to be 577 million), 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's vice-president and

Page 33

treasurer, R.J. Harrison, testified that restrictions in the company's 1943 first mortgage, under which all of the presently outstanding mortgage bonds have been issued, prevented the company from issuing first mortgage bonds in sufficient amounts to finance its large construction program and that the company was proposing, for that reason, to create the G&R indenture and to issue G&R bonds thereunder. He explained that substantially all of the properties of the company would be subjected to the lien of the G&R indenture, which would be a lien junior to the lien of the outstanding first mortgage. He also explained the proposed issue of \$10 million of the Series W first mortgage bonds which would be pledged with the G&R indenture trustee as additional security for the G&R bonds. In his testimony, Harrison stated that either the G&R indenture or the first mortgage was expected by the company ultimately to become the primary instrument for permanent debt financing, depending on whether or not certain amendments to the first mortgage intended to eliminate the present restrictions on the bonding of property additions were sought and became effective. He explained that if such amendments became effective, the company expected to exercise its right to exchange first mortgage bonds for all of the then outstanding G&R bonds and to finance with first mortgage bonds thereafter.

Harrison described in detail the major terms of the proposed G&R indenture and of the proposed Series A G&R bonds.

The company submitted that the Series A G&R bonds will be sold through a private placement with insurance companies or other financial institutions. Harrison testified to the reasons for a private placement of bonds at this time and asserted that there is now a favorable market for privately placed securities.

The company submitted a balance sheet as at November 30, 1977, actual and pro forma for the sale of the Series A G&R bonds and pointed out that the proposed issue and pledge of Series W first mortgage bonds would not affect the company's capitalization. Exhibits were also submitted showing: disposition of proceeds, estimated expenses of the issue and capital structure

as at November 30, 1977, and pro formed for the sale of the Series A G&R bonds. 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 proposed G&R indenture in proof form 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 the Series A G&R bonds and the issue of the Series W first mortgage bonds for the purposes described 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 mortgaging by Public Service Company of New

Page 34

Hampshire of its present and future property, tangible and intangible including franchises, under a general and refunding mortgage indenture to be dated on or after March 15, 1978, to secure the payment of its general and refunding mortgage bonds be, and hereby is, approved; and it is

Further ordered, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell not exceeding \$40 million of its general and refunding mortgage bonds, Series A, 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 \$10 million of first mortgage bonds, Series W, to be pledged as additional security for its general and refunding mortgage bonds, 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 said general and refunding mortgage bonds and said first mortgage bonds; and it is

Further ordered, that Public Service Company of New Hampshire shall submit to this commission the principle amount, term, purchase price, and rate of interest of said general and refunding mortgage bonds and 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 principal amount, term, purchase price, and rate of interest thereof; and it is

Further ordered, that the proceeds from the sale of said securities shall be used for the purpose of discharging and repaying a portion of the outstanding short-term notes of said company; and it is

Further ordered, that on July 1st and January 1st in each year, Public Service Company of New Hampshire shall file with this commission a detailed statement, duly sworn to by its financial vice-president or its treasurer, showing the disposition of the proceeds of the Series A general and refunding mortgage bonds 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 ninth day of February, 1978.

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NH.PUC*02/22/78*[78015]*63 NH PUC 35*Service Territories for Electric Utilities

[Go to End of 78015]

Re Service Territories for Electric Utilities

I-A14,674, Order No. 13,066

63 NH PUC 35

New Hampshire Public Utilities Commission

February 22, 1978

EXTENSION of time relative to defining service territories for electric utilities.

Page 35

BY THE COMMISSION:

Order

Whereas, Chap 304 of the 1977 session laws requires application to this commission for service territories by each electric utility engaged in the distribution and sale of electrical energy, by February 26, 1978 (six months after the new statute's effective date of August 26, 1977), or such later date as the commission may establish; and

Whereas, work done by the commission in connection with the implementation of this law indicates additional time is needed both by the commission and the utilities involved; and

Whereas, an extension of time will have no adverse affect on the public with respect to the provision of electric service; it is

Ordered, that the date on or before which application must be made is extended to July 1, 1978; and it is

Further ordered, that until service territories are reaffirmed or reassigned under the provisions of Chap 304, existing procedures will continue to be followed.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of February, 1978.

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NH.PUC*02/24/78*[78016]*63 NH PUC 36*Public Service Company of New Hampshire et al.

[Go to End of 78016]

Re Public Service Company of New Hampshire et al.

DR 76-46, 25th Supplemental Order No. 13,070

63 NH PUC 36

New Hampshire Public Utilities Commission

February 24, 1978

PETITION of electric companies for authority to apply a fuel adjustment charge to regular monthly billings to their customers; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where electric utilities had filed revisions to their tariffs comprising the monthly calculation of their fuel adjustment charges, the commission found that the filings were in accordance with the applicable provisions of law, that the proposed fuel adjustment charges were just and reasonable, and approved the rate increases.

APPEARANCES: Eaton W. Tarbell and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Richard F. Gilmore for Exeter and Hampton Electric Company; Diane Gilman for Connecticut Valley Electric Company, Inc.; John Pillsbury for New Hampshire Electric Cooperative, Inc.; Kirk Ramsauer for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Robert Brown for Woodsville Water and Light Department; J. Michael Love for the Legislative Utility Consumers' Council.

Page 36

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A(II), the commission on February 17, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular March, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on February 14, 1978, filed with this commission 16th Revised Page 10B to its tariff, NHPUC No.3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect March 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corp. Woodsville reported that during the month of January, 1978, the total fuel cost billed by Central Vermont was a credit of \$90.07. During this same period the total kilowatt-hours sold by Woodsville was 928,218. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of March, 1978, is one cent per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on February 14, 1978, filed with this commission 50th Revised Page 6 to its tariff, NHPUC No.1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect March 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of January, 1978, was \$91.01. During this same period the total kilowatt-hours sold by Littleton was 3,378,532. Consequently, there is no fuel adjustment charge for this company for the month of March, 1978.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on February 14, 1978, filed with this commission 40th Revised Page 9A to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect March 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of January, 1978, the total fuel cost billed by Public Service Company was \$42,828.84. During this same period the total kilowatt-hours sold by Wolfeboro was 2,811,240. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of March, 1978, is \$1.52 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a

public utility engaged in the business of supplying electric service in the state of New Hampshire, on February 15, 1978, filed with this commission 42nd Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect March 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was \$939.81. Total sales to Granite State customers during the same period was 36,124,319 kilowatt-hours. By simple division this yields \$.000026 to which is added the fixed fuel portion of \$.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills

rendered in the month of March, 1978, is proposed to be \$1.24 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on February 14, 1978, filed with this commission 46th Revised Page 13 to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on March 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of January, 1978, was \$476,815. Total sales by the Co-op during the same month were 34,969,725 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of March, 1978, is \$1.36 per hundred kilowatt-hours.

Connecticut Valley Electric Company

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on February 14, 1978 filed with this commission 11th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect March 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation Connecticut Valley reported that during the month of January, 1978, the total fuel cost billed by Central Vermont was a credit of \$1,505. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 14,569,282. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of March, 1978, is one cent per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on February 14, 1977, filed with this commission 32nd Revised Page 16 to its tariff NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect March 1, 1978. Exeter and Hampton purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of January, 1978, was \$43-3,149.55. Total sales by Exeter and Hampton during the same period were 30,809,547 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of March, 1978, is \$1.41 per hundred kilowatt-hours.

Page 38

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on February 14, 1978, filed with this commission 36th Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect March 1, 1978. Concord Electric purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of January, 1978, was

\$401,856.21. Total sales during that same period were 29,210,269 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of March, 1978, is \$1.38 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on February 17, 1978, filed with this commission Fourth Revised Pages 17 and 18 to its tariff, NHPUC No. 21 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect March 1, 1978.

Public Service presented estimated figures at the hearing. Such estimates were necessary because of a delay in receiving actual data from the New England Power Exchange. Page 18 of the company's estimated fuel surcharge filing for March, 1978, indicates that fuel costs above base for the data month of January, 1978, were \$6,975,393. During this same period the kilowatt-hours subject to the fuel adjustment were 542,059,000. The estimated fuel adjustment, therefore, by simple division and rounded is \$1.29 per hundred kilowatt-hours. Subsequent to the hearing actual data was received and a revised filing was made with the commission. The consumer advocate was given an opportunity to respond to the revised filing but chose not to make any response. Page 18 of the company's revised fuel surcharge filed for March, 1978, based on actual data indicated that fuel costs above base for the data month of January, 1978, were 7,063,173. During the same period the kilowatt-hours subject to the fuel adjustment was 542,059,000. The actual fuel adjustment, therefore, by simple division and rounded is \$1.30 per hundred kilowatt-hours which is proposed for effect in the month of March, 1978.

The coal strike commenced on December 6, 1977, and on January 13, 1978, the company reduced the Merrimack station output by 50 per cent. Even with this reduction in output, the fuel adjustment for March based on January data is less than last month. In January Merrimack output was 79 per cent of what the output was in December of 1977, even with the 50 per cent reduction in the later half of January. The company's nuclear and hydro purchases were up with no attendant energy cost which further helped to keep the fuel charge down. Another factor was a decrease in the per barrel price of oil burned during January at the company's own generating stations.

Based upon all of the evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of March, 1978, are just and reasonable, in accordance with pertinent provisions and all

Page 39

other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Fourth Revised Pages 17 and 18 of Public Service Company of New Hampshire tariff NHPUC No. 21 — Electricity, providing for the monthly fuel surcharge of \$1.30 per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978; and it is

Further ordered, that 36th Revised Page 15A of Concord Electric Company tariff NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.38 per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978; and it is

Further ordered, that 32nd Revised Page 16 of Exeter and Hampton Electric Company tariff NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.41 per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978; and it is

Further ordered, that 11th Revised Page 18 of Connecticut Valley Electric Company, Inc. tariff NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of one cent per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978; and it is

Further ordered, that 46th Revised Page 13 of New Hampshire Electric Cooperative, Inc. tariff NHPUC No.6 — Electricity, providing for the monthly fuel surcharge of \$1.36 per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978, and it is

Further ordered, that 42nd Revised Page 15A of Granite State Electric Company tariff NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.24 per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978; and it is

Further ordered, that 40th Revised Page 9A of the Municipal Electric Department of Wolfeboro tariff NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$1.52 per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978; and it is

Further ordered, that 50th Revised Page 6 of Littleton Water and Light Department tariff NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of zero cents per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978; and it is

Further ordered, that 16th Revised Page 10B of Woodsville Water and Light Department tariff NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of one cent per hundred kilowatt-hours for the month of March, 1978, be, and hereby is, permitted to become effective March 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of February, 1978.

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NH.PUC*02/27/78*[78017]*63 NH PUC 41*New Hampshire Electric Cooperative, Inc.

[Go to End of 78017]

Re New Hampshire Electric Cooperative, Inc.

DR 77-93, DR 77-168, Order No. 13,071

63 NH PUC 41

New Hampshire Public Utilities Commission

February 27, 1978

ORDER permitting withdrawal of filed proposed tariff and abolition of temporary rate status.

PROCEDURE, § 11 — Dismissal without decision on the merits — Withdrawal.

[N.H.] Where an electric utility indicated its intent to file a new tariff, the commission permitted withdrawal, without prejudice of an earlier filed proposed new tariff, granted requests for abolition of the temporary rate status and reversion to its former tariff rates, and permitted withdrawal of a petition to amend the temporary rates.

BY THE COMMISSION:

Order

Whereas, the New Hampshire Electric Cooperative, Inc. (Co-op) on February 1, 1977, filed a new tariff NHPUC No. 7 — Electricity for effect March 7, 1977, which was designed to produce approximately the same revenues on a test year ending December 30, 1976, as those collected under the then existing Tariff No. 6; and

Whereas, on February 9, 1977, by Order No. 12,598 the commission suspended the effective date of the new tariff filing pending full investigation and hearing on the rate request; and

Whereas, during hearings on the merits of this petition, certain intervenors filed a motion to establish temporary rates the Co-op Tariff No. 6; and

Whereas, the commission on September 7, 1977, in its Order No. 12,892 established tariff NHPUC No. 6 — Electricity of the Co-op as temporary rates for the duration of these proceedings; and

Whereas, by further action on October 28, 1977, the Co-op filed a petition to amend temporary rates (docket DR 77-168) containing further revisions to its Tariff No. 6; and

Whereas, said petition to amend said temporary rates requested a fold-in of the existing 15.86 per cent "purchased power cost" adjustment and an increase in annual gross revenues of \$606,445 or 4.26 per cent; and

Whereas, by letter filed February 21, 1978, the Co-op requests the withdrawal of its Tariff No. 7 — Electricity (docket DR 77-93) and further states that "the status of temporary rates under present Commission order would revert to a continuation of rates under tariff No. 6" (docket DR 77-168) and further states that the Co-op intends to file a new tariff NHPUC No. 8 — Electricity; and

Whereas, the commission, after full consideration of the request for withdrawal of Tariff No.

7, and the request to abolish the current status of temporary rates, and further considering the future intended action of the Co-op to file a new tariff NHPUC No. 8 — Electricity; it is

Ordered, that New Hampshire Electric Cooperative, Inc. tariff NHPUC No. 7 — Electricity filed February 1, 1977, is hereby withdrawn; and

Further ordered, that the New

Page 41

Hampshire Electric Cooperative, Inc. petition to amend temporary rates filed October 28, 1977, is hereby withdrawn (DR 77-168); and it is

Further ordered, that the status of temporary under tariff No. 6 as established by Order No. 12,892 is terminated effective the date of this order; and it is

Further ordered, that the foregoing action by the commission does not prejudice any future filings of rates of a similar structure to the proposed Tariff No. 7 at a time in the future.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of February, 1978.

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NH.PUC*02/27/78*[78018]*63 NH PUC 42*Granite State Electric Company

[Go to End of 78018]

Re Granite State Electric Company

DF 74-22, 27th Supplemental Order No. 13,072

63 NH PUC 42

New Hampshire Public Utilities Commission

February 27, 1978

PETITION of electric company for extension of exemption from regulations requiring commission approval for issuance and renewal of short-term debt; granted.

SECURITY ISSUES, § 38 — Necessity of authorization by commission — Generally — Exemption from compliance.

[N.H.] Where an electric company had been granted an exemption from compliance with regulations requiring commission approval for the issuance or renewal of short-term notes and had applied for an extension prior to the expiration of the exemption period along with a decrease in its authority as to the amount of debt it could issue, the commission found that the request was consistent with the public good and granted the extension.

BY THE COMMISSION:

Supplemental Order

Whereas, by 26th Supplemental Order No. 12,625 (DF 74-22) of this commission dated March 4, 1977, Granite State Electric Company was granted an exemption from commission regulations permitting it to issue and renew, from time to time, its bonds, notes, or other evidence of indebtedness payable less than twelve 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 \$1.5 million which exemption expires March 31, 1978, unless such period is extended by order of this commission; and

Whereas, Granite State Electric Company, on February 6, 1978, sought authority to continue the exemption in said Order No. 12,625 to March 30, 1979, but, to decrease its authority to issue its short-term notes in an amount not to exceed 5750,000; and

Whereas, this commission, after investigation and consideration, finds that

Page 42

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 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 \$750,000; and it is

Further ordered, that the exemption contained herein shall expire March 30, 1979, unless extended by order of this commission; and it is

Further ordered, that on January 1st and July 1st 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 twenty-seventh day of February, 1978.

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NH.PUC*02/27/78*[78019]*63 NH PUC 43*New England Power Company

[Go to End of 78019]

Re New England Power Company

DF 74-23, Tenth Supplemental Order No. 13,073

63 NH PUC 43

New Hampshire Public Utilities Commission

February 27, 1978

PETITION of electric company for extension of exemption from regulations requiring commission approval for issuance and renewal of short-term debt; granted.

SECURITY ISSUES, § 38 — Necessity of authorization by commission — Generally — Exemption from compliance.

[N.H.] Where an electric company had been granted an exemption from compliance with regulations requiring commission approval for the issuance or renewal of short-term notes and had applied for an extension prior to the expiration of the exemption period along with an increase in its authority as to the amount of debt it could issue, the commission found that the request was consistent with the public good and granted the extension.

BY THE COMMISSION:

Supplemental Order

Whereas, by Ninth Supplemental Order No. 12,624 of this commission dated March 4, 1977, New England Power Company was granted an exemption from commission regulations to issue and renew, from time to time, its bonds, notes, or other evidence of indebtedness, payable less than twelve 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 \$96 million which exemption expires March 31,

Page 43

1978, unless such period is extended by order of this commission; and

Whereas, New England Power Company, on February 6, 1978, so sought authority to continue the exemption in said Order No. 12,624 to March 30, 1979, but, to increase its authority to issue short-term notes in an amount not to exceed \$130 million; 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 evidence of indebtedness payable less than twelve 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 \$130 million; and it is

Further ordered, that the exemption herein shall expire March 30, 1979, unless extended by order of this commission; and it is

Further ordered, that on January 1st in each year said New England Power Company shall file with this commission a detailed statement, duly sworn by its treasurer, showing the disposition of proceeds of said notes, bonds, or other indebtedness until the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of February, 1978.

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NH.PUC*02/28/78*[78020]*63 NH PUC 44*Granite State Telephone Company

[Go to End of 78020]

Re Granite State Telephone Company

DR 77-116, Supplemental Order No. 13,074

63 NH PUC 44

New Hampshire Public Utilities Commission

February 28, 1978

PETITION of a telephone company for an increase in rates; granted with modifications.

1. RETURN § 26.4 — Factors affecting reasonableness — Cost of equity capital.

[N.H.] A telephone company, financed through the Rural Electrification Administration, was granted a return on common equity, which was higher than the average earned by other companies similarly financed, where the company was in a rapid growth pattern and experienced a greater element of risk because it was more highly leveraged than those companies similarly situated. p. 46.

2. RETURN, § 35 — Factors affecting reasonableness — Economic conditions — Attrition.

[N.H.] Where a telephone company was in a period of rapid growth and anticipated a high level of new plant investment the commission granted an increase in its authorized rate of return through addition of an attrition allowance. p. 46.

3. VALUATION, § 19 — Methods and measures for ascertaining value — Recognition of changing conditions — Growth adjustment.

[N.H.] Where a telephone company presented to the commission at a rate increase hearing actual known data showing an increase in revenue due to customer growth which occurred after selection of the test year but prior to resolution of the matter, the commission adjusted the company test-year revenues to in-

corporate the increase and more accurately reflect the company's financial condition. p. 46.

4. EXPENSES, § 19 — Treatment of particular kinds of expenses — Generally — Time and temperature service rentals.

[N.H.] The commission disallowed a telephone company's expenditure for time and temperature service rental fees where the operating revenue adjustment proposed was found to be speculative since the amount of revenue expected from advertising clients could vary appreciably with the current projection. p. 48.

5. EXPENSES, § 46 — Treatment of particular kinds of expenses — Charitable donations.

[N.H.] A telephone company was permitted to recognize the total amount of charitable contributions made during the test year including a nonrecurring contribution to a community bicentennial celebration which the commission found not to be abnormal or unusual, although the precise expense would not reoccur, since a similar contribution of like amount might occur. p. 48.

6. EXPENSES, § 93 — Treatment of particular kinds of expenses — Rentals.

[N.H.] The commission allowed a telephone company to include in its test-year expense an amount related to the lease of property for establishment of a reel yard which was no longer used, where, although not expensed for the same item in each successive year, the amount was found to be reasonable for the purpose for which used, in the nature of an ordinary and necessary business expense, and thus was not abnormal or unusual. p. 49.

APPEARANCES: John Holland for the petitioner; Steven W. Ruback and J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

The Chester Telephone Company, d/b/a Granite State Telephone Company, (hereinafter referred to as the "company"), a public utility engaged in the business of supplying telephone service in limited areas of the state of New Hampshire, on July 15, 1977, filed with this commission its tariff, NHPUC No. 6 Telephone, providing for an increase in rates and charges in the amount of \$68,916 for effect August 15, 1977. The proposed rates were suspended by Order No. 12,862 dated August 9, 1977, pending full investigation including duly noticed public hearings held at the office of the commission on November 29, 1977 and January 26, 1978. The company presented testimony and other evidence indicating that its actual realized rate of return was below the cost of capital based upon results for the twelve months ended December 31, 1976.

Cost of Capital and Capital Structure

Company witness Rand requested a 13.5 per cent cost of common equity capital in the original filing (prefiled testimony of Rand, Exh 9, p. 10, line 11 and 12; see also Exh 4, Section IV, sheet 3, capital structure as at December 31, 1976). Subsequent to the original hearing the company offered additional prefiled testimony through expert witness, Dr. Robert S. Stich,

requesting a cost of common equity capital of 16 per cent (Exh 15, p. 15). On the second day of hearings, after Dr. Stich had testified, Rand further testified that the company would not request a 16 per cent cost of common equity recommended by Stich but would request the 13.5 per cent in the original filing. The company brief (p. 6) indicates that although evidence submitted justified a cost of common equity higher than 13.5 per cent, the company is requesting only the 13.5 per cent level.

Page 45

The LUC in cross-examination and by brief urges the commission to adopt a common equity cost in the range of 13-13.4 per cent. Legislative Utility Consumers' Council also urges the use of an actual rather than a hypothetical capital structure in computing the overall weighted cost of capital to this company. No argument appears in the company brief urging the use of the hypothetical capital structure testified to by Dr. Stich and since the company has no plans to issue common equity the commission will compute the cost of capital using the actual capital structure as at December 31, 1976 (See Exh 4, Section IV, sheet 3).

[1] The company is financed through the Rural Electrification Administration (REA) and comparisons were made with other companies similarly financed. The REA's, so called, are essentially small, rurally oriented telephone companies financed with lower-cost government money permitting higher debt ratios than otherwise would generally be appropriate in the telephone industry. The company has a higher debt ratio than the average of other REA's (Exh 15, p. 14) and is, therefore, more highly leveraged. Since the average REA borrower earned 13.36 per cent on common equity in 1976 and there is no evidence that this figure meets the test of reasonability (see company brief, p. 5) and since this company has a higher element of risk (see also Exh 9, p. 9, lines 21 through 24) a cost of common equity greater than 13.36 per cent is justified. The company is also in a rapid growth pattern (Exh 9, p. 5 and 6; see specifically p. 6, lines 12 through 20). As a result of this rapid growth and while recognizing the company's higher leverage and thus higher risk relative to other REA's, the commission determines that a fair and reasonable cost of common equity is 13.5 per cent.

We accept the company figures for preferred stock and long-term debt shown on Exh IV, Section IV, sheet 3. The computation of the weighted cost of capital of 4.94 per cent is found to be correct and based on the foregoing is also found to be reasonable and just.

Attrition

[2] The weighted overall cost of capital is often supplemented by the addition of an arbitrary number of percentage points to assist the utility company in its quest to earn the rate of return granted. The commission granted rate of return is no guarantee that a company will achieve the level granted, rather the commission *allows* (emphasis added) the company the opportunity to earn up to the rate of return granted.

Inflation (see Stich testimony, Exh 15, pp. 3 through 6) has increased in recent years to very high levels, higher, indeed, than the long-run productivity rates of this country. Inflation affects the purchases of plant and equipment the company must make in order to serve its customers. This company finds itself amidst rapid growth and the expectation of making considerably more plant investment than in previous years (see Exh 9, p. 8, lines 13 through 17). Due to this need

for new capital expenditure and in view of the anticipated high level of such new plant investment, we find that the company should be granted an attrition allowance of 0.2 per cent which when added to its weighted cost of capital of 4.94 per cent, will yield an overall fair rate of return of 5.14 per cent. Hopefully, this will prevent any deterioration in the ability of the company to earn this authorized rate of return.

Growth

[3] Witness Rand presented actual

Page 46

and projected growth figures (Exh 9, p. 6, lines 16 through 20). Company Exh 5, sheet 1 reports annualized local service revenues for customers on line as at December 31, 1976, of \$305,272. The company then presented Exh 3, Sheet 1 showing local service revenues for 1976 after two adjustments of \$283,089 which it uses in computing its requested annual revenue increase. Since December 31, 1976, there is actual data (filed by the company with the commission) as of September 30, 1977, which reflects a changed (increased) revenue level due to the customer growth. Using the actual number of customers provided by the company the commission will make a growth adjustment to the company's requested test-year revenue levels. The commission based on the foregoing will use the \$305,272 as shown on Exh 5, sheet 1. This is not a prospective or projected adjustment, nor is it based on projected figures. Rather, it is based upon actual known data occurring since the chosen test year but before final resolution of this matter. Such an adjustment is consistent with prior commission treatment of test-year data, is not speculative, is a known change, and more accurately reflects the company's current condition.

Rate Base

The company proposed an average rate base of \$3,024,146. A portion of that rate base included an allowance for working capital of \$230,416. We have adjusted the working capital request to be consistent with past rulings by this commission. The company applied a cash working capital allowance of one-eighth to total utility expenses less depreciation on a pro forma basis. We have included a cash working capital allowance based upon one-eighth of the actual operating expenses less depreciation expense for the test year. Our calculation of net operating expenses excludes federal income taxes and other ad valorem taxes which were included by the company. The company's net operating expenses for the test year were \$744,191. Therefore, the cash working capital allowance is \$93,024.

The material and supplies allowance by agreement of the company (see company brief, p. 3) has been reduced from \$101,622 to \$60,000 to reflect an average inventory amount which excludes construction materials provided for by Rural Electrification Administration loan funds. Our computation of the working capital allowance is as follows:

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

Total operating expenses	\$916,179
Less: Depreciation	171,988
Total	<u>\$744,191</u>

45 Days Allowance (12.5%)	93,024
Prepayments	25,928
Materials and Supplies	60,000
Customer Deposits	(10,574)
	Working Capital Allowance
	\$168,378

Thus, we find the average rate base for the test year ending December 31, 1976, to be \$2,962,108 computed as follows:

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

Telephone Plant in Service	\$3,916,633
Less: Depreciation Reserve	1,002,432
	Net Plant
	\$2,914,206
Add: Working Capital Allowance	168,378
Rural Telephone Bank Stock	53,593
Less: Deferred Federal Income Tax	52,233
Deferred Investment Tax Credit	121,836
	Average Rate Base
	\$2,962,108

Test Year Expenses

While the commission acknowledges company counsel's argument (brief, p. 7) that the purpose of a test year is not to precisely determine the level of any requested rate increase but rather to

Page 47

provide a reasonable basis for estimating future operating expenses and revenues; we find that the record supports the disallowance of some test-year expenses.

[4] During 1976, the company implemented a new service program for time and temperature (Transcript — November 29, 1977, p. 134), and paid four and one-half months' rental during the test year, which resulted in an expenditure of \$1,197. (Exh — LUCC 1). The company presently does not have a subscriber for this service although it intends to pay for this rental through customer fees, (Transcript — November 29, 1977, p. 135, 136) although no tariff has been filed to charge these fees within the context of this proceeding. (Transcript November 29, 1977, p. 136). Witness Rand did testify that he expected approximately \$5,000 worth of revenue to be received by the company when the offering was used by various advertising clients.

The company has not chosen to pro forma their revenues and without some adjustment a mismatch of revenue and expense will occur. An adjustment to operating revenues or to expenses would recognize this item. An operating revenue adjustment based on Rand's testimony would be speculative since the amount of revenue expected could vary appreciably with the current projection. Thus, the commission disallows the test-year rental expense for the Weatherchron equipment of \$1,197.

The test year contained \$17,668 for audit expenses submitted to the company from Arthur Anderson and Company (Exh LUCC 1). Part of these expenses were for the 1975 audit and part were for the 1976 audit (Transcript — November 29, 1977, p. 133). The breakdown of these expenditures was provided in Mr. LaBonte's letter which is marked as LUCC 1. Since the total

1976 audit expense was \$13,500 we disallow \$4,168 or the difference between the 1976 audit expense and the test-year expense.

[5] LUCC requests exclusion of a certain charitable contribution made by the company during the test year. Legislative Utility Consumers' Council, while recognizing the necessity and allowance of certain charitable contributions, seeks to exclude what it terms a nonrecurring charitable contribution in the amount of \$983 paid by the company to the Weare Bicentennial Fund and Weare Beautification Project. This commission recognizes the civic obligation of a utility company and in the past has allowed charitable contributions as laudable, commendable, and necessary as long as they are reasonable. As the New York State Public Service Commission has stated "the advantages of continued recognition of utility charitable contributions outweighs the miniscule burden it imposes on rate-payers." Re Rochester Gas & E. Corp. (NY 1976) 14 PUR4th 475, 486. This commission observes that charitable contributions are often expected by the community in which the company is located. Thus, we will continue to allow any reasonable charitable contribution.

We are also aware of numerous cases which disallow test-year operating expenses if they are nonrecurring. The *PUR Digest* reports these cases under the caption "expenses" and the subcaption "abnormal and unusual expenses." The question then becomes whether or not the charitable contributions by the company to the Weare Bicentennial Fund and the Weare Beautification Project is an abnormal or unusual expense. Such an expense, it is not contested occurs only once, since a town can only have

Page 48

one bicentennial celebration. It is, however, not representative of an abnormal or an unusual expense and although this precise expense will not reoccur, a similar charitable contribution of like amount may very well occur.

In making an allowance for charitable contributions this commission does not know (nor can it know) with any certainty whether or not the contributions allowed by the company to some recipient would recur in precisely the same amount or to the same recipient in year subsequent. In this respect the commission does not interfere with management prerogatives in deciding when, in what amount, and to whom a charitable contribution should be made. In this particular instance, the amount contested is so small that its effect on rates is negligible. *Denver Union Stock Yard Co. v United States* (1938) 304 US 470, 482, 834 24 PUR NS 155; Re *Diamond State Teleph. Co.* (1954) 48 Del 497, 5 PUR3d 493, 495, 496 107 A2d 786, 788.

The concern of the commission is primarily the reasonableness of the company's total charitable expenses during the test year. The total charitable contribution for this company in the test year was \$1,428 which represents 0.1 per cent of its total operating revenues. We find this to be a reasonable amount and, therefore, allowable.

[6] Similarly, LUCC also requests exclusion of an alleged nonrecurring test-year expense in the amount of \$419 related to leased property for establishment of a reel yard which is no longer used. (T. January 26, p. 35). The amount, although not being expensed for the same item in each successive year, is reasonable in amount for the purpose for which it was used, and is also in the nature of an ordinary and necessary business expense. We find that this expense is not abnormal

or unusual and should be allowed.

The commission in disallowing operating expenses (expenses which have already been incurred), is aware that such disallowance reduces the company's revenue requirement and thereby may reduce the company's ability to attract capital. The disallowance of the expenses in this case is not likely to produce this result since the company has no plans to raise equity capital and (even if it did) such capital is likely to be generated by those already close to the business. The disallowance of these expenses is reasonable especially given the recent past history of this company in earning an extremely high rate of return which was subsequently reduced by order of this commission.

Test Year Revenues

The company filed Exh III, sheet 1, which shows adjusted test period revenues of \$1,201,789. This is comprised of \$3,877 for other operating revenues (net of uncollectibles) which we accept; \$914,823 — for toll service revenues which we have revised; and \$283,089 for local service revenues.

We have revised toll service revenues due to the expense adjustments we made which must be reflected in the toll factor settlement with New England Telephone Company. This reduction amounted to \$3,436 which reduces toll service revenues to \$911,387.

As previously noted, we do not accept the adjusted test period local service revenues as submitted but have used \$305,272 which was shown on company Exh V, sheet 1. We believe that the figure of \$305,272 better reflects the ongoing growth in customers and revenue of the company, and represents the known

Page 49

revenues based upon customer growth during the actual test year.

These revisions make the adjusted test period revenues \$1,220,500 as opposed to \$1,201,789 as filed by the company. Subtracting the revised adjusted test-year expenses of \$1,086,500 from this revenue figure leaves a balance of \$134,000 as income available for return.

Revenue Requirements

Applying the fair rate of return 5.14 per cent including an attrition allowance of 0.20 per cent to the average rate base, \$2,962,108, the required net operating income is \$152,300. The following table computes the revenue requirements:

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

REVENUE REQUIREMENT USING YEAR ENDED DECEMBER 31, 1976

Net operating income, as reported

Adjustments:

Local Service Increase

Toll Service Increase

Payroll Adjustment

Payroll Tax Adjustment

Rate Case Amortization

Expense Adjustments

Tax Adjustments

Earnings with Adjustments

Required Net Operating Income

Deficiency
Revenue Deficiency ÷ .4836)

We conclude that the company is entitled to an annual increase in revenues in an annual amount of \$37,800.

Tariff Considerations

We do not believe that a plant constructed to provide only one-party service to both residence and business subscribers is in the best interests of all present and future customers. We believe that this is borne out by the fact that as of December, 1976, by the company's own figures, some 37 per cent or 1,019 customers were subscribing to multiparty service. The record also shows that existing multiparty subscribers resisted and objected to the elimination of such service. While agreeing that one-party service is desirable to many, we believe that the refusal of Granite State's subscribers when polled indicates that there is a need for an alternate offering of multiparty service. It is our conclusion that this should extend to residence and business subscribers. We also believe that the telephone company's practice of combining residence and business customers on the same line should be eliminated; and only in unusual circumstances should this be done in the future; and then only on a temporary basis. Line fill is a matter that careful planning by the company should resolve. Further, we believe that a study should be undertaken to determine the cost of providing an optional multiparty service within the Chester exchange to both business and residence customers, with a proposal to this commission by July 1, 1978, to implement such a multiservice offering.

Granite State has filed proposed

Page 50

charges for its nonlisted and nonpublished listing service. This is consistent with recent trends to more closely assess charges against those who create additional operating costs. The extent to which these listings cause additional administrative and operator expense is reflected in costs the company pays for such service rendered by the Bell system. In its testimony, Granite stated that it had performed no study to determine the level of cost to provide these services and in fact checked only the rates applied by New England Telephone Company. In recent filings by other independent telephone companies, this commission has recognized that an additional service is performed by the utility in providing the customers with special listing and has allowed a rate of one dollar per month for nonpublished service. Absent any cost studies to justify the company's request for \$1.50, we will allow Granite only one dollar per month for nonpublished service. We will allow their request for 75 cents for nonlisted service. Our order will issue accordingly.

Supplemental Order

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

Ordered, that revisions to tariff NHPUC No. 6 — Telephone as filed by Granite State Telephone Company on July 15, 1977, to become effective on August 15, 1977, providing for an increase in annual revenues of \$68,916, and which were suspended by commission Order No. 12,862 dated August 9, 1977, be, and hereby are, rejected in part; and it is

Further ordered, that Granite State Telephone Company file new tariff pages setting forth therein rates designed to produce an annual increase in revenue of \$37,800; and it is

Further ordered, that when said filing has been approved by this commission, a further supplemental order will issue authorizing said tariff revisions; and it is

Further ordered, that such revised pages shall carry the notation "Issued in compliance with Order No. 13,074 in case DR 77-116."

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of February, 1978.

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NH.PUC*03/01/78*[78021]*63 NH PUC 51*Boston and Maine Corporation

[Go to End of 78021]

Re Boston and Maine Corporation

IT14,765, Order No. 13,075

63 NH PUC 51

New Hampshire Public Utilities Commission

March 1, 1978

APPLICATION for approval of railroad lease agreement; granted.

1. LEASES, § 11 — Sites on railroad right of way — Generally — Yards.

[N.H.] The commission approved a lease agreement between a railroad in reorganization and another railroad company whereby the reorganizing railroad would lease to the other company all the property within one of its yards and that company would then provide

Page 51

rail freight and interchange services within the demised premises finding that the proposed operation would be assured of continuous service and the lessor would realize a savings beneficial to its reorganization.

BY THE COMMISSION:

Order

Whereas, the Boston and Maine Corporation, debtor (hereinafter "B&M"), a corporation owning and operating railroad properties in the state of New Hampshire, on February 27, 1978, filed with this commission for approval of a lease between it and the Goodwin Railroad, Inc.

(hereinafter "Goodwin"); and

Whereas, said lease agreement provides that the B&M will lease all of its property in and within the B&M's yard in the city of Concord and the town of Bow and further provides that Goodwin will provide rail freight service to customers on and within the demised premises and to interchange carloads of freight and empty cars at such point within the demised premises; and

Whereas, the commission has investigated the proposed operation and the terms of the lease under which said operation will be conducted; and

Whereas, pursuant to RSA 374:29 the commission finds that the proposed operation pursuant to the lease is in the public interest generally in that the B&M will realize a saving beneficial to its reorganization and in that the customers of the B&M will be assured of continuous service from the lessee; it is

Ordered, that the lease by and between B&M and Goodwin Railroad, Inc. (a copy of which appears in the files of this case) be, and hereby is, approved.

By order of the Public Utilities Commission of New Hampshire this first day of March, 1978.

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NH.PUC*03/01/78*[78022]*63 NH PUC 52*Public Service Company of New Hampshire

[Go to End of 78022]

Re Public Service Company of New Hampshire

I-R14,761, Order No. 13,076

63 NH PUC 52

New Hampshire Public Utilities Commission

March 1, 1978

PETITION of utility seeking to change electric service rates; granted.

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. 40 with CE-KSB Pump Company, Inc. filed for effect February 1, 1978, for electric service at rates other than those fixed by its schedule of general application; and

Whereas, upon investigation and con-

Page 52

sideration, 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 first day of March, 1978.

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NH.PUC*03/09/78*[78023]*63 NH PUC 53*Public Service Company of New Hampshire

[Go to End of 78023]

Re Public Service Company of New Hampshire

DR 77-49, Ninth Supplemental Order No. 13,079

63 NH PUC 53

New Hampshire Public Utilities Commission

March 9, 1978

MOTION for rehearing to compel consumers' council to answer certain interrogatories; denied.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for rehearing filed December 23, 1977, for and on behalf of Public Service Company of New Hampshire relative to the Public Service Company of New Hampshire motion to compel Legislative Utility Consumers' Council to answer certain interrogatories; 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 said motion for rehearing is denied.

By order of the Public Utilities Commission of New Hampshire this ninth day of March, 1978.

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NH.PUC*03/09/78*[78024]*63 NH PUC 53*Public Service Company of New Hampshire

[Go to End of 78024]

Re Public Service Company of New Hampshire

DR 77-49, Tenth Supplemental Order No. 13,080

63 NH PUC 53

New Hampshire Public Utilities Commission

March 9, 1978

ORDER determining whether exhibits should be admitted as full exhibits in rate case.

BY THE COMMISSION:

Supplemental Order

Whereas, Public Service Company of New Hampshire filed Exhs P-17 and P-17A during the hearings in this proceeding; and

Whereas, said exhibits were marked by the commission for identification according to its procedure, and then were admitted as full exhibits upon motion of Public Service Company of New Hampshire except for portions of both exhibits which the Legislative Utility Consumers' Council objected to, as to which the commission reserved a ruling thereon; and

Whereas, the commission after consideration of the stated positions of the parties relative to these exhibits; it is

Ordered, that the identification be stricker from Exhs P-17 and P-17A and that said exhibits be accepted as full exhibits in this case subject to the exception of the Legislative Utility Consumers' Council.

By order of the Public Utilities Commission of New Hampshire this ninth day of March, 1978.

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NH.PUC*03/09/78*[78025]*63 NH PUC 54*New Hampshire Department of Public Works and Highways

[Go to End of 78025]

Re New Hampshire Department of Public Works and Highways

I-T14,717, Supplemental Order No. 13,081

63 NH PUC 54

New Hampshire Public Utilities Commission

March 9, 1978

REQUEST by highway department for exemption from stopping vehicles at certain railroad crossings; granted.

CROSSINGS, § 71 — Protection and safety — Rules governing trains, cars, and vehicles.

[N.H.] Where no regular train movements were being carried over a track line where two crossings were located, the commission authorized the erection of exempt signs at the crossings, eliminating the necessity for stopping vehicles before proceeding over the crossings and further ordered that any train passing over the crossings should stop, warn highway traffic of its intent to pass over the crossing, and proceed over the crossing when all traffic has stopped.

BY THE COMMISSION:

Supplemental Order

Whereas, following action of the commission in exempting New Hampshire Route 101 crossing from the requirement of stopping certain vehicles before passing over the same; and

Whereas, an additional request has been received requesting authority to declare the Martin crossing situated 0.9 miles south of Epping at the Epping-Fremont town line and Lyford crossing situated 1.8 miles south of Epping in the town of Fremont; and

Whereas, there are no regular train

Page 54

movements being carried on over the single track line between Epping and Fremont on which these two crossings are located; and

Whereas, the commission is of the opinion that public safety does not require the stopping of certain vehicles before passing over these crossings; it is

Ordered, that the towns of Epping and Fremont, be and hereby are, authorized to erect and maintain a standard "exempt" sign on the masts which support the advance warning disc at each approach to said crossing, thereby eliminating the necessity for stopping vehicles before proceeding over said crossing; and it is

Further ordered, that all train movements before passing over said crossing shall come to a complete stop and a flagman shall warn highway traffic by displaying a red flag during the hours of daylight and a lighted red lantern during the hours of darkness or poor visibility, and when highway traffic has stopped the train movement shall then proceed over the crossing.

By order of the Public Utilities Commission of New Hampshire this ninth day of March, 1978.

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NH.PUC*03/10/78*[78026]*63 NH PUC 55*Littleton Water and Light Department

[Go to End of 78026]

Re Littleton Water and Light Department

I-R14,771, Order No. 13,082

63 NH PUC 55

New Hampshire Public Utilities Commission

March 10, 1978

PETITION of municipal water department for a rate increase; granted.

RATES, § 156 — Factors affecting reasonableness — Maintenance of service — Facility financing.

[N.H.] Where a municipal water department had demonstrated need for additional funds to accommodate the expense of a chlorination facility which it was required to construct, and had filed responses from a majority of its customers signifying that they had no objections to the increase, the commission found that the proposed charges were just and reasonable and approved the increase.

BY THE COMMISSION:

Order

Whereas, the Water and Light Department of the town of Littleton, a utility operating under the jurisdiction of this commission, for those customers residing in the town of Bethlehem has filed a proposed revision to the rates now charged for water service to these customers; and

Whereas, the Water and Light Department of the town of Littleton has filed responses from fifteen of the twenty customers served signifying that they have no objection to such increase; and

Whereas, this commission, after investigation and consideration, is satisfied that the proposed charges are just and reasonable, and are further supported by the need for additional funds to accommodate the expense associated with a chlorination facility which must be constructed to specifically serve these Bethlehem customers; it is

Page 55

Ordered, that the proposed charge of \$25 per quarter for water service to those customers residing in the town of Bethlehem is hereby approved, and permitted to become effective with the next regular billing; and it is

Further ordered, that public notice of this authorization be given by publication of this order in a newspaper having general circulation in the territory affected, or by individual notice to each customer, as deemed appropriate by the Water and Light Department of the town of Littleton; and that a notarized copy of such notice be furnished this commission.

By order of the Public Utilities Commission of New Hampshire this tenth day of March, 1978.

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NH.PUC*03/14/78*[78027]*63 NH PUC 56*New Hampshire Electric Cooperative, Inc.

[Go to End of 78027]

Re New Hampshire Electric Cooperative, Inc.

DR 78-24, Order No. 13,085

63 NH PUC 56

New Hampshire Public Utilities Commission

March 14, 1978

PETITION seeking electric rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on February 24, 1978, filed with this commission tariff, NHPUC No. 8 — Electricity, providing for increased rates designed to produce additional annual revenues of \$689,042 (4.74 per cent); and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that tariff, NHPUC No. 8 — Electricity, of New Hampshire Electric Cooperative, Inc., be and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of March, 1978.

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NH.PUC*03/15/78*[78028]*63 NH PUC 57*Concord Natural Gas Corporation

[Go to End of 78028]

Re Concord Natural Gas Corporation

I-R14,767, Order No. 13,087

63 NH PUC 57

New Hampshire Public Utilities Commission

March 15, 1978

PETITION of gas utility seeking rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Concord Natural Gas Corporation, a public utility engaged in the business of supplying gas service in the state of New Hampshire, on February 28, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 13 — Gas, providing for increased rates

designed to produce an increase in annual revenues of \$235,721.73 or 9.1 per cent; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Eighth Revised Pages 13-16 and Sixth Revised Page 17 of tariff, NHPUC No. 13 — Gas, of Concord Natural Gas Corporation be, and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of March, 1978.

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NH.PUC*03/17/78*[78029]*63 NH PUC 57*New Hampshire Electric Cooperative, Inc.

[Go to End of 78029]

Re New Hampshire Electric Cooperative, Inc.

DR 78-24, Supplemental Order No. 13,089

63 NH PUC 57

New Hampshire Public Utilities Commission

March 17, 1978

PETITION of an electric company for an increase in rates; granted on a temporary basis.

RATES, § 630 — Emergency rates — Generally — Temporary increase pending final determination.

[N.H.] Where an electric utility had accompanied a proposed tariff filing with a petition for temporary rates and established by uncontradicted testimony that it was operating in a deficit situation and was in technical default of its mortgage indenture, the commission found that the evidence supported the granting of immediate rate relief in the form of temporary rates.

APPEARANCES: Mayland Morse, Jr. for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

The New Hampshire Electric Cooperative, Inc., a New Hampshire

Page 57

corporation engaged in the business of providing electric service in certain areas of the state

on February 24, 1978, filed with this commission a proposed tariff, NHPUC No. 8 — Electricity, requesting an increase in annual gross revenues in the amount of \$689,042. A petition for temporary rates accompanied the filing of Tariff No. 8 and alleged that a critical financial condition existed which jeopardized the future operations of the Co-op and that the rates in Tariff No. 8 should immediately be made temporary rates subject to a repayment bond in the event the commission found those temporary rates to be too high after full hearings on the merits. A duly noticed hearing was held at the office of the commission on the issue of temporary rates on March 15, 1978.

The Co-op presented three witnesses to describe the financial condition and situation of the Co-op. Uncontradicted testimony established that the Co-op was experiencing a critical financial situation in that its rate of return was below the actual cost of capital and, therefore, the company was operating in a deficit situation and secondly, that the Co-op was in technical default of its mortgage indenture since its earnings did not cover interest by a factor of 1.5 for purposes of future borrowings from the Rural Electrification Administration (REA). Due to the Co-op's failure to cover its interest on loan requirements by a factor of 1.5 the Co-op application to REA (submitted in January of 1978) has not been acted upon. Unless the Co-op gains rate relief to increase its revenues to reestablish a coverage rate of 1.5 times interest, the Co-op will not be able to finance through the REA. Such financing is necessary to continue to improve the Cooperative's system and to make additions to the system where those additions are necessary and to generally provide adequate and reliable electric service to its customers.

In January of 1978 the Co-op applied to REA for new and supplemental loan requirements in the amount of \$13,483,000 to enable it to meet and perform operating requirements and work and system improvements. The general manager of the company testified that in the event this financing does not materialize that several customers on the Co-op system would be affected. The first people to be affected would be those that have requested extensions. Without the funds forthcoming from this loan such extensions could not be built. The next customers to feel the effects of lack of funds would be the customers who are located on overloaded lines where system improvements needed to be made to rectify the overloaded condition. It was also noted that even though sales of kilowatt-hours have dropped, there seems to be a continuing need throughout the whole system to make additions to plant. These additions to plant are made pursuant to a work plan, and the improvements and additions to plant included in this work plan would have to be abandoned if the financing was not forthcoming.

At the present time, Co-op customers pay a 15.86 per cent purchased power adjustment surcharge in addition to their regular bills for wholesale power increases allowed by the Federal Energy Regulatory Commission which are not in the basic Co-op rates. The Public Service Company of New Hampshire, the major supplier of electricity for the Co-op has announced its intention and will soon file for wholesale rate increase with the proper federal authorities. The expectation is that some portion of the rate increase will be allowed to go into effect under bond thus adding to the surcharge

that the Co-op must charge its customers. Aside from the fact that a surcharge on top of a surcharge is unpopular with the customers, it does present some administrative problems which

could be alleviated by the commission folding in the 15.86 per cent surcharge on the bill which now exists. This amount would be folded into the basic rates and any new surcharge to come along would appear as a single surcharge on a customers bill. Testimony revealed that the folding in of this surcharge would not change the total revenue picture of the company but would merely recover the surcharge revenue via basic rates.

On the basis of all of the above testimony and all other testimony in the record which supports our finding herein, the commission finds that the Coop should have immediate rate relief in the form of temporary rates which will be included on all customers bills on or after the effective date of this order. Our order will issue accordingly.

Supplemental Order

Based upon the foregoing report, which is made a part hereof; it is

Ordered, that the New Hampshire Electric Cooperative, Inc. tariff, NHPUC No. 8 — Electricity, as filed on February 24, 1978, be, and hereby is, accepted on a temporary basis and that the rates therein reflecting an increase in gross annual revenues of \$689,000 are accepted on a temporary basis pursuant to RSA 378:27 and 29 pending further consideration and final determination by the commission on the permanency of said rates; and it is

Further ordered, that said new tariff filing shall be accompanied by an appropriate repayment bond pursuant to the provisions of RSA 378:30; and it is

Further ordered, that said temporary rates are allowed to become effective on all bills rendered on or after the effective date of the order; and it is

Further ordered, that the New Hampshire Electric Cooperative, Inc. is directed to give one-time public notice of the substance of this order.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of March, 1978.

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NH.PUC*03/22/78*[78030]*63 NH PUC 59*Public Service Company of New Hampshire

[Go to End of 78030]

Re Public Service Company of New Hampshire

DE 77-172, Order No. 13,090

63 NH PUC 59

New Hampshire Public Utilities Commission

March 22, 1978

PETITION of an electric company for condemnation of property; granted.

Page 59

1. EMINENT DOMAIN, § 5 — Right to appropriate property — Necessity as a factor.

[N.H.] Where an electric company sought authority to condemn property for the purpose of constructing an access road to a nuclear power plant, the commission found that the condemnation was necessary because the increased costs of alternate solutions were significant and substantial and should not be incurred by the company and that the road would permit safer operation of the plant and enhance the ability of emergency evacuation. p. 61.

2. EMINENT DOMAIN, § 7 — Right to appropriate property — What property may be taken.

[N.H.] Although a property owner objected to the proposed location of an access road to be constructed on the owner's land taken by condemnation, the commission found that the contours of the highways which the access road would intersect along with other factors dictated that the road be constructed on the parcels of land that the electric company sought authority to take. p. 61.

3. EMINENT DOMAIN, § 5 — Right to appropriate property — Necessity as a factor.

[N.H.] The commission granted an electric company permission to take property in fee simple absolute finding that property interest necessary and preferable to an easement which was not regarded as certain and secure where no evidence to the contrary was presented by the property owner. p. 62.

4. EMINENT DOMAIN, § 8 — Compensation — Valuation — Severance damages.

[N.H.] Where the taking of property by an electric company through condemnation did not affect access to nor sever the property, no severance damages were awarded and, on the basis of comparable sales, the commission found it reasonable to value the two parcels differently according to their locations on the property, thus the compensation for the frontage parcel was higher than that for the back land. p. 62.

APPEARANCES: Eaton W. Tarbell for the petitioner; Roger B. Phillips and George McLaughlin for Linda Hall Cullum.

BY THE COMMISSION:

Report

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire, pursuant to RSA 371, petitioned the public utilities commission for a determination of whether or not it should acquire land in a particular area of Seabrook, New Hampshire, for the purpose of constructing the so-called south access road to the Seabrook nuclear power plant. The petition was filed December 2, 1977, and the commission held duly noticed public hearings on January 25, and February 2, 1978.

The petition prays that the commission determine the necessity for the taking requested and that the commission grant the petitioner permission to take property in fee simple absolute or in the alternative that the commission determine that the taking be in the nature of a perpetual easement over the subject property. Finally, the petition prays that the commission establish a

reasonable and fair price to be paid for the fee or in the alternative a perpetual right and easement to the property.

The petitioner presented four witnesses: three witnesses on the issue of necessity and one on the issue of damages. Petitionee presented one witness on the issue of damages. The record in this proceeding presents four issues to the commission.

1. Whether or not it is reasonably necessary for the petitioner to build a second controlled access road (called the south access road) to Seabrook station;

2. Whether or not the proposed location of the south access road as presented by the petitioner is reasonable and consistent with the public interest; and

Page 60

3. Whether or not the petitioner should be granted a fee simple absolute interest in the land taken or a perpetual easement in the land taken; and

4. What is the level of compensable damages to be awarded to the petitionee for the partial taking of land.

Necessity

[1] Petitionee argues that reasonable alternative solutions such as satellite parking lots, staggered working hours, and the like are rejected by the petitioner because of potential increased costs. We find on the basis of the evidence that the increased costs which are estimated are significant and substantial and should not be incurred by the Public Service Company if a reasonable, less costly alternative is available. Petitioner indicates that satellite parking would cost \$3.9 million per year per thousand vehicles excluding the cost of acquiring additional land for parking acquisition and the operation of buses (testimony of Nason, February 2, 1978, pp. 36, 37). Evidence supports the finding that staggered work hours would also lead to inefficiency which would be costly (testimony of Nason, February 2, 1978, pp. 38-40). We find on the basis of the evidence that use of a second controlled access road would alleviate the traffic problem at the site (testimony of Nason, February 2, 1978, pp. 21, 22, 26, 34-36).

The evidence also supports the finding that a second access road to Seabrook station will minimize disruption of the local community. (Testimony of Aliotte, February 2, 1978, pp. 58, 59, 60, 64, 67).

We find that the evidence also supports the finding that the proposed second controlled access road would permit petitioner to more safely conduct and more safely operate the Seabrook station (testimony of Nason, February 22, 1978, p. 22 and testimony of Aliotte, February 2, 1978, p. 2). The existence of a second access road would enhance the safety of the operations at the plant and would enhance the ability of evacuation in the event of an emergency (testimony of MacDonald, pp. 153, 156, 157, 158, 160). Based on all of the above evidence which has been cited above plus all other evidence in the record not so specifically stated which supports the necessity for the second controlled access road, the commission finds that it is reasonably necessary for the Public Service Company of New Hampshire to construct such a second controlled access road to Seabrook station.

Location

[2] Petitionee's land comprises approximately 13.27 acres with approximately 352 feet of road frontage on US Route 1. The tract contains a residence, a garage, and an outbuilding referred to as a cottage. The parcel has a depth of 1,430 feet. Petitioner requests a partial taking which is comprised of two small triangles of land of .144 acres and 2.026 acres respectively for a total taking of 2.17 acres leaving the petitionee after the taking with 11.10 acres. Exhibits on file in this case show the precise location and the boundaries of the land proposed to be taken in relation to the remainder.

Petitionee objects to the location of the road and argues that the access road should be aligned more closely to the perimeter of the land of the petitionee so that the taking would be smaller. Petitionee also objects to the location of the road as it passes over the back land of the petitionee. Petitioner testified that the main objective of the road was to disburse traffic on to Interstate 95. It is

Page 61

clear from the evidence and the view taken that the point of intersection of the proposed second controlled access road with US Route 1 should be at the point where US Route 1 intersects Route 107. This would allow for the easiest and quickest disbursement of the traffic via 107 to Interstate 95. If the south access road were to intersect Route US 1 either north or south of the intersection of Route 1 with Route 107, traffic leaving the south access road would have to make two turns to get on to Route 107. Aside from the fact that the contours of the beginning and end of this controlled access road dictate a certain curvature of the road which places the road in the location where it is proposed by the petitioner (see exhibits), the proposed access road cannot be placed any closer to the border or perimeter of the petitionee's land because of the nearness of that location to the lagoons of a sewage treatment plant on the abutting property of the USM Corporation. Based upon all of the above evidence which has been referred to as well as other evidence in the record not specifically stated herein but which supports our finding, the commission finds that the proposed location of the second controlled access road is reasonable, feasible, and sensible.

Property Interest

[3] This commission is on record in a previous condemnation case regarding the Public Service Company of New Hampshire at the Seabrook site to the extent that a fee simple absolute property interest is preferable and necessary and that an easement right is not preferable and not regarded to be as certain and secure. Reference is hereby made to commission report and Order No. 11,781 dated March 19, 1975, pp. 6, 7. Since no contrary evidence was presented by the petitionee and since the case before us involved the same Seabrook project as was involved in the earlier case, the commission finds that the petitioner's taking should be granted in fee simple absolute. Reference may also be made to commission report and Order No. 11,267 dated January 29, 1974, in which a decision was made granting the Public Service Company of New Hampshire a certificate of site and facility for the construction of the Seabrook nuclear power plant.

Damages

[4] Petitioner's appraiser (Colt) valued the land before the taking at \$299,000 and valued it after the taking at \$270,000 for a total compensable damages of \$29,000. Petitionee's appraiser (Sumner) valued the land before the taking at \$663,000 and valued it after the taking at \$443,000 for a total estimated and rounded compensable damages of \$220,000. This figure consisted of \$108,500 of actual damage and a severance damage of \$110,900.

The large difference between the two damage estimates results from two elements. First, Sumner ascribes a single per acre value to all the petitionee's land while Colt ascribes a per acre value to front land and a much lower per acre value for back land. Second, Colt does not include any severance damage where Sumner includes severance damage in the amount of \$110,900. Colt studied comparable sales which led him to the conclusion that the frontage area within 600 feet from US Route 1 had a market value of \$45,000 per acre and that the land beyond this point was back land and valued it at \$11,000 per acre. Colt

Page 62

made no reduction in value for severance due to the speculative nature of such damages (testimony of Colt, January 25, p. 51). Colt was of the opinion that the only effect on the remainder of the partial taking would be to reduce the acreage. The valuable frontage would be unchanged, and all of the buildings would be left intact. Reference to Exh P-2 will show the two pie-shaped areas of the taking and it can readily be seen that the partial taking does not affect the usage of the property but merely reduces its acreage.

Petitioner's appraiser testified that the per acre price of a parcel of land decreases as the size of the parcel increases. The road frontage is the key element and the number of acres added to the parcel because of its depth will tend to reduce the per acre price of that parcel. In this connection we note that Sumner used comparable sales where the property was very shallow and we do not believe that the per acre values which Mr. Sumner established on this basis can apply to the back land of the subject premises because of the lack of comparability on the element of depth.

On Friday, March 10, 1978, the commission took a view of the premises in question. The commission viewed the premises from Route 1 (front view) from the parking lot of the USM Corporation (side view) and from the terminus of the south access road at the construction site within the exclusion area (back view). The commission also viewed some of the comparable sale property in the area and noted the development of the area in general, the frontage of the various lots and their size, their depth and their location in terms of other buildings and their location in terms of accessibility from the roads which they abutted.

The commission in its view of the premises and the surrounding area noticed that most of the use made of property along Route 1 was close to the road. This makes sense and is reasonable in view of the fact that a commercial enterprise needs visibility to the traveling public and accessibility from the traveled way. The portion of the premises in question which is visible from the road and usable for a commercial enterprise will remain unchanged by this taking.

The locus in question is not severed by the taking, that is, the taking does not create two separate tracts. The partial taking of the locus shaves off a small triangle about 600 feet back from the road which comprises 6,260 square feet and then another triangular parcel of 2.026

acres in the area's northeasterly corner of the premises. Perhaps the most significant intrusion on the locus is that the taking will reduce the back line of the property from 367 feet to 158 feet.

The taking will not affect access to the premises from Route 1. Access is already impeded by the existence of the traffic island over which this commission has no control. Traffic that is southbound must go beyond the traffic island a certain number of feet before it could make an easterly (left hand) turn to the subject premises for any purpose that the land might be used for.

Based upon all of the evidence in this proceeding and after hearing the opinions of appraisers for both parties, the commission is of the opinion that it is reasonable to value the back land at a price different from the front land. Regarding the frontage Colt demonstrated a value of \$45,000 per acre and Sumner demonstrated a value of \$50,000 per acre based on their analysis and examination of comparable sales. Of all the comparable sales the commission recognizes three as particularly relevant

Page 63

to the value of the locus; namely, the Straw to Driscoll parcel across from the subject premises (\$40,000 per acre), the parcel on which MacDonald's is located (\$45,455 per acre) and the D. Geronimo's to Properties, Inc. parcel (\$61,765 per acre) which is on the same side of U.S. Route 1 and was a parcel purchased by the Public Service Company for part of the access road. The mathematical average of these values is \$49,073 per acre which the commission will use to value the front land of the locus. On this basis the front triangle of .144 acres is valued at \$7,066 and the commission finds this to be a reasonable value for the taking.

Colt appraised the back land at \$11,000 per acre based upon one sale located on Rock's Road by USM Corporation to Properties, Inc. for \$3,500 per acre in 1974. Colt's adjustment from \$3,500 an acre to \$11,000 per acre we do not believe adequately compensates for the time differences, location, or inflation. There is other evidence in the record that the value of the back land is more valuable than \$11,000 per acre (testimony of Sumner). Based on this evidence and in the exercise of its independent judgement after a view of the premises, the commission finds the back land to be valued at \$15,000 per acre. On this basis the back triangle of 2.026 acres is valued at \$30,390. The Commission finds that the total value of the partial taking to be \$37,456. Our order will issue accordingly.

Order

Based upon 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 take pursuant to RSA 371 the property described in its petition which is in the commission files on this matter; and it is

Further ordered, that the Public Service Company of New Hampshire pay as damages for said taking the amount of \$37,456 to Linda Cullum, trustee of the Mildred Pierce Batchelder Trust; and it is

Further ordered, that the taking granted herein is full and complete and gives to the Public Service Company of New Hampshire a fee simple absolute title in the property taken.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of March, 1978.

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NH.PUC*03/22/78*[78031]*63 NH PUC 64*Public Service Company of New Hampshire et al.

[Go to End of 78031]

Re Public Service Company of New Hampshire et al.

DR 76-46, 26th Supplemental Order No. 13,091

63 NH PUC 64

New Hampshire Public Utilities Commission

March 22, 1978

PETITION of electric companies for authority to apply a fuel adjustment charge to regular monthly billings to their customers; granted.

Page 64

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where electric utilities had filed revisions to their tariffs comprising the monthly calculation of their fuel adjustment charges, the commission found that the filings were in accordance with the applicable provisions of law, that the proposed fuel adjustment charges were just and reasonable, and approved the rate increases.

APPEARANCES: Eaton W. Tarbell, Jr. and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Richard F. Gilmore for Exeter and Hampton Electric Company; Gerald Cook for Connecticut Valley Electric Company, Inc.; Thomas W. Morse for New Hampshire Electric Cooperative, Inc.; Kirk Ramsauer for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Robert Brown for Woodsville Water and Light Department; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A(II), the commission on March 21, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular April, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on March 14, 1978, filed with this commission 17th Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect April 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corporation. Woodsville reported that during the month of February, 1978, the total fuel cost billed by Central Vermont was \$720.17. During this same period the total kilowatt-hours sold by Woodsville was 731,444. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of April, 1978, is ten cents per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on March 14, 1978, filed with this commission 51st Revised Page 6 to its tariff, NHPUC No. 1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect April 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of February, 1978, was \$709.03. During this same period the total kilowatt-hours sold by Littleton was 3,296,171. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in

Page 65

the month of April, 1978 is two cents per hundred kilowatt-hours.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on March 10, 1978, filed with this commission 41st Revised Page 9A to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect April 1 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of February, 1978, the total fuel cost billed by Public Service Company was \$42,702.48. During this same period the total kilowatt-hours sold by Wolfeboro was 2,822,305. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of April, 1978, is \$1.51 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on March 14, 1978, filed with this commission 43rd Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect April 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel

cost billed by New England Power Company was a credit of \$7,368.07. Total sales to Granite State customers during the same period was 35,279,367 kilowatt-hours. By simple division this yields \$.00002 to which is added the fixed fuel portion of \$.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of April, 1978, is proposed to be \$1.22 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on March 16, 1978, filed with this commission 47th Revised Page 13 to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on April 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of February, 1978, was \$479,727. Total sales by the Co-op during the same month were 34,836,689 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of April, 1978, is \$1.38 per hundred kilowatt-hours.

Connecticut Valley Electric Company

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on March 14, 1978, filed with this commission 12th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect April 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of February, 1978, the total fuel cost billed by Central Vermont was a credit of

Page 66

\$12,749. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 13,661,117. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of April, 1978, is \$.0933 per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on March 15, 1978, filed with this commission 33rd Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect April 1, 1978. Exeter and Hampton purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of February, 1978, was \$398,675.33. Total sales by Exeter and Hampton during the same period were 24,573,546 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of April, 1978, is \$1.62 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric

service in the state of New Hampshire on March 8, 1978, filed with this commission 37th Revised Page 15A to its tariff, NHPUC No.6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect April 1, 1978. Concord Electric purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of February, 1978, was \$373,646.70. Total sales during that same period were 25,965,209 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of April, 1978, is \$1.44 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on March 17, 1978, filed with this commission Sixth Revised Pages 17 and 18 to its tariff, NHPUC No. 21 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect April 1, 1978. At the hearing the company submitted Seventh Revised Pages 17 and 18 correcting errors appearing in the Sixth Revised Pages 17 and 18.

The company reported a fuel cost above base of \$6,941,768 and the total kilowatt-hours subject to the fuel adjustment of 502,906,000. By simple division and rounded this yields \$ 1.38 per hundred kilowatt-hours fuel surcharge proposed to be applied to customers' bills rendered in April, 1978.

The proposed \$1.38 fuel surcharge for April represents an eight-cent increase over the March fuel surcharge, which was based on January data. Several factors in the month of February caused an upward pressure on the fuel adjustment. These factors are: higher per ton coal cost, reduction in megawatt output at Merrimack station due to coal strike, increased purchases from NEPEX, lower sales to NEPEX, and less hydropower.

Page 67

Based upon all of the evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of April, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Seventh Revised Pages 17 and 18 of Public Service Company of New Hampshire tariff NHPUC No. 21 — Electricity, providing for the monthly fuel surcharge of \$1.38 per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978; and it is

Further ordered, that 37th Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.44 per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978; and it is

Further ordered, that 33rd Revised Page 16 of Exeter and Hampton Electric Company tariff NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.62 per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978; and it is

Further ordered, that 12th Revised Page 18 of Connecticut Valley Electric Company, Inc., tariff NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$0.933 per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978; and it is

Further ordered, that 47th Revised Page 13 of New Hampshire Electric Cooperative, Inc., tariff NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.38 per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978; and it is

Further ordered, that 43rd Revised Page 15A of Granite State Electric Company tariff NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.22 per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978; and it is

Further ordered, that 41st Revised Page 9A of the Municipal Electric Department of Wolfeboro tariff NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$ 1.51 per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978; and it is

Further ordered, that 51st Revised Page 6 of Littleton Water and Light Department tariff NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of two cents per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978; and it is

Further ordered, that 17th Revised Page 10B of Woodsville Water and Light Department tariff NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of ten cents per hundred kilowatt-hours for the month of April, 1978, be, and hereby is, permitted to become effective April 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of March, 1978.

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NH.PUC*03/24/78*[78032]*63 NH PUC 69*Granite State Telephone

[Go to End of 78032]

Re Granite State Telephone

DR 77-116, DR 77-86, Second Supplemental Order No. 13,092

63 NH PUC 69

New Hampshire Public Utilities Commission

March 24, 1978

PETITION of telephone company for a rate increase; granted.

RATES, § 156 — Reasonableness — Factors affecting reasonableness — Maintenance of service.

[N.H.] Where, after rejection of revisions to its tariff which requested the elimination of two-and four-party service, a telephone company was directed to provide for continued multiparty service to its customers and where the commission found that a later filed revision satisfied the intent of its directive in that customers would have the option of choosing either one-party or multiparty service, the commission permitted the rate increase as represented in the filed tariff revisions to become effective.

BY THE COMMISSION:

Supplemental Order

Whereas, by Supplemental Order No. 13,074, this commission, on February 28, 1978, rejected revisions to tariff, NHPUC No. 6 — Telephone, filed by Chester Telephone Company, d/b/a Granite State Telephone, on July 15, 1977, providing annual revenue increases of \$68,916; and

Whereas, the company was directed by the above order to file new tariff pages providing for rates producing annual revenue increases of \$37,800; and

Whereas, on March 20, 1978, Granite State Telephone filed the following tariff pages in compliance with that order —

Section 2. 12th Revised Sheet 1 Section 2, Seventh Revised Sheet 1A Section 3, Second Revised Sheet 1A Section 3, Second Revised Sheet 2 Section 3, Second Revised Sheet 2A Section 3, Fifth Revised Sheet 3 Section 3, First Revised Sheet 3A Section 3, First Revised Sheet 3B Section 3, Third Revised Sheet 8 Section 3, Second Revised Sheet 8A Section 3, Fourth Revised Sheet 9 Section 3, Third Revised Sheet 9A Section 3, Second Revised Sheet 9F Section 3, First Revised Sheet 9G Section 3, Original Sheet 9H Section 3, Original Sheet 9I Section 3, Second Revised Sheet 13 Section 3, Second Revised Sheet 14 Section 3, Second Revised Sheet 15 Section 3, Second Revised Sheet 16 Section 3, Second Revised Sheet 17 Section 3, Second Revised Sheet 18 Section 3, Second Revised Sheet 19 Section 3, Second Revised Sheet 22 Section 4, Third Revised Sheet 1 Section 4, First Revised Sheet 1A Section 4, Original Sheet 1B Section 4, Third Revised Sheet 2 Section 4, Third Revised Sheet 3 Section 6, Second Revised Sheet 1; and

Whereas, included in the filing is a provision addressing a matter in an earlier docket (DE 77-86) in that it provides for continued multiparty service to customers in the Chester exchange; and

Whereas, inclusion of that provision satisfies the intent of the commission's Supplemental

Order No. 12,945, which directed the continuation of multiparty service to these customers; and

Whereas, by this filing, all new and existing Granite State Telephone customers in all exchanges will now be offered either one-party or multiparty service at their option; it is

Page 69

Ordered, that the tariff pages of Granite State Telephone noted above are hereby accepted, to become effective as of April 1, 1978; and it is

Further ordered, that said tariff pages are accepted as a satisfactory resolution of the requirements of Supplemental Order No. 12,945 in DE 77-86 so that no additional action on the part of the company is necessary; and it is

Further ordered, that a one-time public notice of a summary of this entire filing be made in newspapers having general circulation in the area served.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of March, 1978.

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NH.PUC*03/29/78*[78033]*63 NH PUC 70*Public Service Company of New Hampshire

[Go to End of 78033]

Re Public Service Company of New Hampshire

DF 78-32, Order No. 13,098

63 NH PUC 70

New Hampshire Public Utilities Commission

March 29, 1978

PETITION of an electric company for authority to issue and sell common stock; granted.

SECURITY ISSUES, § 58 — Purposes of capitalization — Additions and betterments.

[N.H.] Where an electric company sought authority to sell shares of its common stock through a negotiated public offering and to use the proceeds to pay off a portion of its short-term notes incurred in the purchase and construction of property reasonably required for the present and future conduct of its business, the commission authorized the transaction as consistent with the public interest.

APPEARANCES: Ralph H. Wood and Russell A. Winslow for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition, filed March 16, 1978, 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 1 million shares of common stock \$5 par value. A duly noticed hearing was held in Concord on March 29, 1978.

Company witness Harrison testified that the proceeds of the sale of the common stock will be used to pay off a portion of the short-term notes outstanding at the time of the sale (estimated to be about \$91,312,500), the proceeds of which will have been expended in the purchase and construction of property reasonably requisite for present and

Page 70

future use in the conduct of the company's business. All expenses incurred in accomplishing the financing will be paid from the general funds of the company.

The common stock will be sold through a negotiated public offering. The company asserted its belief that the difficulty of raising capital in today's money markets continued to justify a negotiated public offering of the common stock and that a negotiated sale would result in terms at least as favorable as those that might be obtained through a competitive sale.

The company submitted a balance sheet as of January 31, 1978, actual and pro formed for the sale of the common stock. Exhibits were also submitted showing: disposition of proceeds, estimated expenses of the issue; and capital structure as of January 31, 1978, and pro formed for the sale of the common stock. Projected financing requirements and estimated construction expenditures were outlined in testimony. A certified copy of authorizing votes of the company's board of directors was put in evidence at the hearing.

Based upon all of the evidence, the commission finds 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 for other proper corporate purposes, and further finds that the issue and sale of the common stock will be consistent with the public good. Our order will issue accordingly.

Order

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

Ordered, that Public Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell not exceeding 1 million shares of 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 shall submit to this commission the number of shares of said common stock to be sold and the purchase price thereof, after which a supplemental order will issue approving the number of shares of said common stock to be sold and the purchase price thereof; it is

Further ordered, that the proceeds from the sale of said common stock shall be used for the purpose of discharging and repaying a portion of the outstanding short-term notes of said company; and it is

Further ordered, that Public Service Company of New Hampshire furnish this commission with copies of its registration statement for the common stock filed with the securities and exchange commission and any amendments thereof; and it is

Further ordered, that on July 1st and January 1st in each year, Public Service Company of New Hampshire shall file with this commission a detailed statement, duly sworn by its treasurer or assistant treasurer, showing the disposition of the proceeds 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 twenty-ninth day of March, 1978.

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NH.PUC*04/03/78*[78034]*63 NH PUC 72*Town of Hampton

[Go to End of 78034]

Re Town of Hampton

DT 78-5

63 NH PUC 72

New Hampshire Public Utilities Commission

April 3, 1978

PETITION of a municipality requesting an order requiring replacement of a railroad bridge; dismissed without prejudice.

RAILROADS, § 22 — Construction and equipment — Bridges.

[N.H.] Where a municipality requested that the commission order a railroad to replace one of its bridges because fire apparatus and maintenance equipment exceeded the posted carload tonnage, the commission refused to issue the order, although it had authority to do so and by law could apportion the costs between the railroad and the town, because the parties were not prepared to accept an apportionment order; because of the availability of federal funds the commission believed it should withhold decision until a cooperative effort to secure such funds might be undertaken and thus the commission dismissed the petition without prejudice.

APPEARANCES: Robert B. Lessard, chairman of the board of selectmen and Peter Lombardi, town manager for the town of Hampton; Lendal R. Mattice for the Boston and Maine Corporation.

BY THE COMMISSION:

Report

By petition filed December 8, 1977, the town of Hampton requests an order requiring the Boston and Maine Corporation to replace Boston and Maine Bridge No. 45.59, which carries Route 101C over the tracks of the Boston and Maine Corporation, just north of the location of the former Hampton passenger station. Hearing thereon was held at Concord on March 20, 1978.

The testimony indicates that an order of the railroad commission issued November 22, 1899, authorized the Boston and Maine Corporation to construct an overhead bridge to eliminate a grade crossing. This order provided that the bridge would have an overhead clearance of not less than 16 feet above the rails; the grade of the highway shall descend at the rate of five feet per hundred feet easterly and westerly and it would be a wood stringer bridge 40 feet in width including a six-foot sidewalk at its southerly side. It would be constructed on stone abutments with not less than five feet of clearance from the outside rails of the double track line to the abutment. This order required the bridge to be designed for a uniform live load of 80 pounds per square foot of surface, or a wagon load of eight tons on four wheels spaced five feet by eight feet.

It is also testified that it be designed for a carload of 15 tons over that portion of the bridge used by the electric railroad which was then operated by the Exeter, Hampton, and Ambsbury Street Railway.

In 1927, following the discontinuance of the street railway operations the bridge was rebuilt substantially as it is today and also posted for 11-ton loads. Following an inspection made in 1977, due to its deteriorated condition, the posting was reduced to eight tons. This resulted in complaints from the town because school buses, fire apparatus,

Page 72

dump trucks, and town maintenance equipment all exceeded this capacity. Some years ago the main line was reduced from double to single track. In December of 1977, after a conference with representatives of the town, legislators from that district, the highway commission and public utilities commission officials, a timber bent was constructed and the posting of the bridge was increased to 11 tons.

It is now the position of the town that existing fire apparatus, road maintenance equipment, and dump trucks hauling gravel in the area, exceed 11 tons and request the railroad corporation to replace the bridge to accommodate this equipment.

Witnesses for the town indicate that much heavier loads are using the bridge than the posted 11 tons. The town equipment will require at least 16.5 tons and it is estimated that actual loads of 25 tons sometimes use the bridge. It is further indicated that the macadam surface of the bridge is not patched and maintained as it should be, thus causing loss of control of vehicles when striking pot holes which develop from time to time.

The nearest crossing which is available for heavy equipment is approximately three-fourth mile distance, although the highway locations are such that this alternate route would require an

additional three and one-half miles to travel from the center of the town on the east side of the railroad bridge to a point just west of the bridge.

It is the position of the Boston and Maine Corporation that the bridge has been constructed and maintained in accordance with the order issued by the railroad commission, that the increase in traffic over the same is the result of the general increase in highway use and if the present structure is not suitable any change required should be funded through sources such as the town, state, or federal rather than from the railroad corporation.

It developed at the hearing that there has been no discussion relative to the appropriation of any funds from the town for use in replacing the bridge, but the town witnesses state that the highway is maintained by the town.

Under the provisions of RSA 373:2 and 3 any reconstruction or improvement of overhead bridges such as this can be required by the commission and the cost of the same be apportioned between the railroad corporation and the town. It was brought out earlier, during the period that the bridge was reduced to eight-ton loads, that federal funds are available for use in replacing bridges of this character, but the application for the same must be initiated by the town in which the bridge is located. No action has yet been taken by the selectmen to avail themselves of any such funds.

It is apparent that present use of this structure requires a greater capacity than that which now exists for this bridge. It is further apparent that while the commission has authority to require reconstruction or replacement of the bridge, the law provides that an apportionment must be made between the railroad and the town. Neither of these parties are prepared to accept such an order under the present circumstances. Because of the availability of federal funds it is believed that to benefit all concerned a decision should be withheld in this proceeding until a cooperative effort can be made by the railroad, the town, and the New Hampshire Department of Public Works and Highways, through which these funds are handled for a determination as to whether relief can be

Page 73

provided through a replacement of this bridge. Such a project must be initiated by the town even though the bridge is owned by the Boston and Maine Corporation. Under these circumstances the case is dismissed without prejudice and subject to reopening depending upon future developments.

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NH.PUC*04/03/78*[78035]*63 NH PUC 74*Granite State Electric Company

[Go to End of 78035]

Re Granite State Electric Company

DR 77-181, Order No. 13,100

63 NH PUC 74

New Hampshire Public Utilities Commission

April 3, 1978

PETITION of an electric company for inclusion of a purchased power cost adjustment in rates; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where an electric company demonstrated that its rate of return was substantially below its cost of capital and that its financial condition would become extremely serious if it were not permitted to offset the increase in rates charged by its wholesale supplier, the commission permitted the company to include a purchased power cost adjustment in its rate schedules.

APPEARANCES: Philip H. R. Cahill for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

On December 16, 1977, Granite State Electric Company (company), a public utility engaged in the business of supplying electric service in the state of New Hampshire, filed with this commission Original Page 16F, of its tariff, NHPUC No. 8 — Electricity, providing for purchased power cost adjustment No. 6 (PPCA No. 6) in the amount of \$299,700 per year, in the form of a uniform cost adjustment of \$0.0009 per kilowatt-hour (kwh), to be added to the price of each kwh sold by the company under rates containing energy price schedules, to be effective January 1, 1978, or such other date as New England Power Company's (NEP's) R-12 wholesale rate was authorized to become effective under law and the Federal Energy Regulatory Commission's (FERC's) regulations and representing an adjustment to the company's rates to reflect changes in the cost of purchased power under said R-12 rate.

Pursuant to published notice, a public hearing was held on March 28, 1978, at the office of the commission. At the hearing it was stated on behalf of the company that the original calculation of the increase in the cost of purchased power which the company would incur as a result of NEP's R-12 rate becoming effective, of \$315,305, based on seven months' actual, five months' estimated 1977 figures for Granite State and NEP had, on the basis of actual figures for the calendar year 1977 as shown on Exh 2, increased by \$3,733 to \$319,038. Since

Page 74

this increase was only a little over 1 per cent it would not necessitate any change in the proposed PPCA No. 6 which would remain at the 0.9 mills level. The company, therefore, asked and was permitted to substitute a revised "Original Page 16F" as represented by Exh 3, which,

while providing for the same PPCA No. 6 of 0.9 mills per kwh, recognized the new recalculation of PPCA No. 6 required by application of the actual figures for the calendar year 1977.

The company also submitted testimony and exhibits which demonstrated that the overall rate of return presently being realized by the company — i.e., the return for the calendar year 1977 — was already substantially below its cost of capital, and that its financial condition would become extremely serious if it were not permitted to offset the increase represented by NEP's R-12 rate, through this rate adjustment. The company's evidence also indicated that due to the fact that PPCA No. 6 will not be applied to street and area lighting rates, and because of rounding down of fractions, the revenues to be received annually under PPCA No. 6 will fall short of recovering 100 per cent of the annual increase which it will sustain in its purchased power expense by a little over \$16,000.

The company receives its entire supply of power from NEP, a supplier of bulk electricity to many electric utilities. The rate structure of NEP is under the jurisdiction of the FERC. In accordance with the provisions of the Federal Power Act, and the rules and regulations of the FERC thereunder, together with an order of the FERC dated December 30, 1977, and introduced in evidence as Exh 2, the rates charged to the company by NEP will be increased by \$319,038 beginning June 1, 1978, though remaining subject to investigation by the FERC and possible refund. Consequently, the amount of PPCA No. 6, \$302,754, represents approximately 95 per cent of the annual increase in purchased power expense which the company will sustain beginning June 1, 1978.

The commission finds that PPCA No. 6 as submitted by the company in the amount of 0.9 mills per kwh for all kwh purchased from the company under rates containing energy price schedules, will serve to offset the increased purchased power costs which will be incurred beginning June 1, 1978, 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, which require that if there is any decrease in the wholesale price charged by NEP, the company will promptly file notice of an adjustment to reflect it, and if, at the conclusion of the proceedings before the FERC relating to NEP's R-12 rate, refunds are made by NEP to the company, equivalent refunds will be made to the company's customers, to the extent the company has collected any increased rates under this adjustment. The company's tariff filing will cause the PPCA No. 6 increase of 0.9 mills to be applied in equal amounts to each kwh sold under the rate schedules to which it is applicable. The increase represented thereby may only be applied for all electric service rendered to customers on and after June 1, 1978. Our order will issue accordingly.

Order

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

Page 75

Ordered, that Original Page 16F of the Granite State Electric Company tariff, NHPUC No. 8 — Electricity, providing for a purchased power cost adjustment No. 6 and filed on March 28, 1978, by leave of the commission, in substitution for an Original Page 16F previously filed on December 16, 1977, to become effective January 1, 1978, and with respect to which a public

hearing was held on March 28, 1978, pursuant to an order of notice dated January 27, 1978, is now made effective with all service rendered on and after June 1, 1978; 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 the company.

By order of the Public Utilities Commission of New Hampshire this third day of April, 1978.

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NH.PUC*04/04/78*[78036]*63 NH PUC 76*Dunbarton Telephone Company

[Go to End of 78036]

Re Dunbarton Telephone Company

D-F6194, Supplemental Order No. 13,101

63 NH PUC 76

New Hampshire Public Utilities Commission

April 4, 1978

PETITION of a telephone company for approval of proposed use of the balance of a loan from a federal government agency; granted.

SECURITY ISSUES, § 58 — Purposes and subjects of capitalization — Additions and betterments.

[N.H.] Where a telephone company proposed to use the balance of a loan from the Rural Electrification Administration of the Department of Agriculture in connection with service and for improvement and additions to its plant and facilities, the commission authorized the proposed use, finding it was in the public interest.

BY THE COMMISSION:

Supplemental Order

Whereas, the Dunbarton Telephone Company on April 10, 1972, by commission Order No. 10,559 was authorized to execute a telephone loan contract to the United States of America and to issue and sell to the United States of America its note in the principle sum not exceeding \$209,000 bearing an interest rate of 2 per cent per annum; and

Whereas, said order of the commission required that the company file with the commission a detailed statement showing the disposition of said proceeds; and

Whereas, during the term of the loan the company has complied with the reporting requirements; and

Whereas, it appears at the termination of the loan period that there is \$89,000 which has not been drawn down and used; and

Whereas, the company, pursuant to a request dated March 29, 1978, requests to use the approximately \$89,000 for purposes other than those which were

Page 76

originally sanctioned in the commission report and Order No. 10,559 issued April 10, 1972; and

Whereas, the balance of the loan on hand is to be used in connection with telephone service to the company subscribers and for improvements for additions to its plant, additions, and facilities, it appears that the said use of said funds at the low interest rate of 2 per cent is in the public interest; it is

Ordered, that the Dunbarton Telephone Company be, and hereby is, authorized to apply the balance of a previously authorized loan remaining at the end of the original loan period to general corporate uses and purposes including but not limited to improvements for additions to its plant, additions, and facilities and for general telephone service to its subscribers; and it is

Further ordered, on or before January 1st and July 1st in each year said Dunbarton Telephone Company shall file with this commission a detailed statement, duly sworn to by its treasurer, giving the disposition of the balance of said proceeds from the April, 1972, loan 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 fourth day of April, 1978.

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NH.PUC*04/05/78*[78037]*63 NH PUC 77*Town of Charlestown

[Go to End of 78037]

Re Town of Charlestown

DT 77-165

63 NH PUC 77

New Hampshire Public Utilities Commission

April 5, 1978

PETITION of municipality for authority to change a private railroad crossing to a public grade crossing; denied.

CROSSINGS, § 38 — Establishment — Substitution of public for private crossing.

[N.H.] A municipality's petition for authority to change a private railroad grade crossing to a public crossing was denied because extremely hazardous conditions existed at the crossing, including poor visibility and severely inclined approaches, and because the commission was not convinced that the installation of protection devices would result in reasonable safety.

APPEARANCES: Robert Buckley for the petitioner; John E. O'Keefe for the Boston and Maine Corporation.

BY THE COMMISSION:

Report

By petition filed January 5, 1978, the town of Charlestown seeks to lay out and construct a public crossing at grade over the tracks of the Boston and Maine Corporation at the location of a private crossing known as Putnam's crossing, pursuant to the provisions of RSA 373:6. Hearing thereon was held at Concord on March 3, 1978.

Testimony presented in support of the petition of the town indicates that in

Page 77

1926 a major highway relocation was carried out resulting in the construction of a new section of New Hampshire Route 12 on the west side of the railroad location eliminating two grade crossings. Prior to this relocation New Hampshire Route 12 was on the east side of the railroad tracks. A highway known as the Old Cheshire Turnpike, believed to have been laid out around 1804, connected Bellows Falls, Vermont with Charlestown and extended to Alstead and Langdon, New Hampshire, formed a portion of Route 12 from its intersection therewith on the east side of the railroad track. Because of this an extension was believed to have been agreed upon by the involved parties to be constructed between this intersection and the property owned and occupied by the Putnam family. A railroad grade crossing was provided for access to the new location of New Hampshire Route 12 but the records do not indicate that any taking or any request for a public crossing was executed.

It is the town's position, however, that because of the circumstances recited and the fact that the access was provided jointly through arrangements between the state and the railroad corporation, it automatically became a public crossing and has been so considered.

During the past few years the highway on both sides of the track has been treated with asphalt surfaces and is maintained and plowed by the town as a regular service normally provided for town highways.

It is stated that a mail carrier regularly uses the crossing on his delivery route. Due to the difficult operating conditions for heavy vehicles it has generally been the practice of large truck operators to avoid this crossing and use another grade crossing known as Bowen's Mills crossing located approximately one-half mile south of the Putnam location.

The railroad and highway parallel each other in the area under consideration. New Hampshire Route 12 consists of a two-lane highway. The railroad track originally consisted of a

north — and southbound main line but several years ago centralized traffic control was installed and the line has since consisted of a single track.

At the approaches to the present crossing the distance between the edge of the pavement and the nearest rail of the track is 40 feet. The level of the railroad track is seven feet above the highway. This results in an ascending grade on approaching the crossing from the west of 17.7 per cent. This provides a very difficult operating condition for large trailer type vehicles to approach this crossing from the west, particularly if a stop should be required before passing over the crossing. In addition, a portion of the vehicle will remain in the northbound lane of the highway thus creating a hazardous traffic condition.

The approach from the east is on a descending grade, although not sufficiently severe as to cause operating difficulties. However, should a semi-trailer type vehicle pass over the crossing and be prohibited from entering New Hampshire Route 12 because of traffic conditions there a portion of the vehicle would remain on the railroad track thus creating a very hazardous condition which cannot be tolerated.

This petition is brought at this time because there have been three accidents within the last year, one of which involved a vehicle of the trailer type, although luckily it did not result in a fatality.

The Putnam farm is an active wholesale dairy enterprise. During the

Page 78

spring season a retail maple syrup and sugar business is carried on. A sign has been erected south of the westerly approach which bears the legend, "Maple Syrup — Sugar Candy — Visitors Welcome," and on which is depicted a colored maple leaf.

A standard advance warning disc is located adjacent to this signpost. There is no crossbuck at the crossing and there is no statutory requirement for the same at private crossings.

On the approach from the east there are no signs in the immediate crossing area. There is a stop sign placed at the west side of the crossing north of the road presumably to stop highway traffic before entering New Hampshire Route 12. The crossing itself is approximately 20 feet in width. While no whistle posts are installed to provide for train whistling upon approaching the crossing it is stated that the usual practice provides for whistle signals.

Visibility from the east approach indicates that a train can be seen approximately 2,000 feet north of the crossing, but because of the curvature of the track the distance is substantially less for trains approaching from the south. An estimate of the traffic over this crossing is from 30 to 40 motor vehicle movements per day.

There has been among the selectmen of the town, both for the possible closing of the crossing in the interest of safety and also for providing a public crossing, but no conclusion has been reached, other than to submit the instant petition for the consideration of the commission.

It appears that school buses are not operated over this crossing. Approximately once a year propane gas deliveries are made and it is the practice when these services are provided to use this crossing.

It is stated that the incident involving the collision between the trailer type tank vehicle and a train was unusual because the driver became lost and used this crossing instead of the Bowen's Mills crossing.

It is the position of the Boston and Maine Corporation that this crossing is not suitable because of the hazardous condition created by its location. It takes the position that considerable reconstruction would have to be provided to make it less hazardous. But even then the nearness of the track to the main highway and conditions of the grade are such that even light passenger vehicles have difficulty in starting after a stop is required on the grade west of the crossing.

It takes the position that if a public crossing is to be provided it must be protected and that the protection required in such a case should consist of automatic flashing lights and an automatic gate. The installation of such a gate would require approximately ten feet of clearance from the nearest rail thus reducing the approach distance between New Hampshire Route 12 and the stopping point for clearing passing trains to 30 feet which will make even more serious the effect of a stopped vehicle in obstructing the northbound lane of the highway.

There are at present an Amtrak passenger train in each direction daily, two southbound and two northbound freight trains daily, and one local train in each direction daily except Sundays. On Mondays, Wednesdays, and Fridays there is a local freight train that operates from Brattleboro northward at least to Bellows Falls and occasionally continues north of Bellows Falls over this crossing. The maximum speed authorized in this area is 50 miles per hour for passenger

Page 79

trains and 40 miles per hour for freight trains.

Railroad witnesses indicate that the visibility afforded from the locomotives is insufficient to permit trains to be stopped, should the crossing be obstructed by a highway vehicle.

Preliminary estimates for the cost of a suitable crossing with approaches, together with the automatic protection as recommended, is estimated at \$40,000 for the crossing and \$64,525 for the lights and gate protection. A traffic light at the highway intersection of the westerly approach with New Hampshire Route 12 is recommended to be superimposed by the crossing protection so that upon the approach of a train the traffic light would provide for clearing the westerly approach thus permitting any vehicle proceeding in a westerly direction to gain access to Route 12 to make certain that the crossing is not obstructed. The complete installation as recommended is estimated to require a total expenditure of \$200,000.

If flashing light protection is installed at the crossing without the automatic gates it is estimated that the cost of the installation would be reduced by \$46,000.

From the testimony presented in this proceeding it appears that certain concessions were made at the time of the relocation of New Hampshire Route 12 to provide access to and from the Putnam farms because of the discontinuance of that portion of Route 12 east of the crossing. Access from this farm to the south was not materially altered by this highway relocation, but to proceed in a northerly direction under these conditions would require approximately one additional mile of travel to reach a point on Route 12 north of the farm. Accordingly, a private crossing was provided for direct access to relocated Route 12. It appears that no other residential

or commercial property was left in similar circumstances.

Over the years the farm enterprises have grown, and what was originally provided as a private way has been used by the general public and in connection with other highway improvements that portion of the roadway east of the crossing has been substantially improved within the last three or four years.

No town records have been procured to indicate that any taking of the property to this crossing has been made. A search indicates that no proceeding was before this commission relative to the closing of the crossings involved at the time of relocating Route 12, nor was it the subject of any orders or agreements approved by this commission.

No statutory authorization for the closing of crossings was required, hence the records are quite incomplete concerning this change. The statutory requirement, however, was effective at that time to require the consent of this commission before laying out or constructing any public crossing over a railroad track. No record can be found to indicate any such proceeding before this commission.

From these facts it is apparent that even though the town claims that this is a public crossing no evidence can be produced to indicate that any authority was given to authorize its layout or construction.

To authorize a public crossing at this location under present circumstances would have the effect of acknowledging and approving a crossing under very extreme hazardous conditions. Even with protection which requires a considerable expenditure it is highly conjectural that its use would result in reasonable safety. On the contrary, the evidence in this

Page 80

proceeding indicates that it is acknowledged to be an unsafe situation particularly for heavy and lengthy commercial type vehicles, and its use has been quite effectively limited accordingly.

Upon consideration of all the facts the commission is of the opinion that it cannot give its consent to the laying out and construction of a public crossing at the location requested in this petition. On the contrary it is of the opinion that if its use is to be continued as a private crossing immediate steps should be taken to limit such use to passenger type vehicles only and the maintenance of stop signs at each approach with proper enforcement thereof, also that approaching trains be required to provide whistle signals upon approach thereto.

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NH.PUC*04/11/78*[78038]*63 NH PUC 81*New Hampshire Department of Public Works and Highways

[Go to End of 78038]

Re New Hampshire Department of Public Works and Highways

DT 78-21, Order No. 13,104

63 NH PUC 81

New Hampshire Public Utilities Commission

April 11, 1978

PETITION for authority to remove railroad crossing signals; granted.

CROSSINGS, § 68 — Protection and safety — Flagmen, signs, and protective devices.

[N.H.] A request by the department of public works and highways for removal of the signals at a railroad crossing was granted by the commission on the basis of its findings that no train movements were conducted over the crossing, the railroad was willing to reinstall the signals if required by restoration of train service, and, since the railroad was not required to maintain the signals in the absence of train service, they might be subject to vandalism.

BY THE COMMISSION:

Order

Whereas, the New Hampshire Department of Public Works and Highways requests the removal of the flashing light signals in the town of Epping involving the Fremont branch (identified as AAR-DOT 860 958 W); and

Whereas, train movements are not conducted over this crossing, there being no shippers or receivers of freight on this portion of the line; and

Whereas, the flashing lights were required to be installed by this commission's Order No. 7908, dated October 18, 1962 (D-T4060); and

Whereas, it is indicated that should orders require restoration of train service in the state of New Hampshire, it is willing to install flashing lights as required; and

Whereas, upon investigation of the commission it appears that the signals are not required to be maintained without train service, they being subject to damage by vandalism or otherwise; it is

Ordered, that the Boston and Maine

Page 81

Corporation be, and hereby is, authorized to remove the signals at the intersection of NH Route 101 and its Fremont branch, identified as AAR-DOT 860 958 W and that the provisions of Order No. 7908 be, and hereby are amended accordingly.

By order of the Public Utilities Commission of New Hampshire this eleventh day of April, 1978.

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NH.PUC*04/18/78*[78039]*63 NH PUC 82*Connecticut Valley Electric Company, Inc.

[Go to End of 78039]

Re Connecticut Valley Electric Company, Inc.

I-R14,779, Order No. 13,108

63 NH PUC 82

New Hampshire Public Utilities Commission

April 18, 1978

PETITION of electric company for authority to fold in power cost adjustment; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] The commission allowed to become effective revisions to an electric company's tariff designed to (1) provide refunds resulting from a Federal Energy Regulatory Commission decision attributable to a determination of rates which had been in effect under bond and which had been permanently established by that commission, (2) fold the resulting power cost adjustments into the basic rates and provide refunds attributable to a revision in the date upon which the power cost adjustment was passed on to customers, and (3) revise the method of calculation of the power cost adjustment from a percentage of billing to a kilowatt-hour adjustment factor intended to make the company's method consistent with that of other state electric utilities.

BY THE COMMISSION:

Order

Whereas, Connecticut Company, Inc. on March 21 1978, filed revised pages to its tariff, NHPUC No. 4 — Electricity, designed to:

1. Provide refunds resulting from recent Federal Energy Regulatory Commission decisions in Docket No. ER76-533;
2. Fold the resulting power cost adjustment into the basic rates; and
3. Revise the method of calculation of the power cost adjustment; and

Whereas, the amount of the portion of refund attributable to the FERC decision (\$106,089) results from a determination of rates which have been in effect under bond since September 1, 1976, and which have now been permanently established by that body; and

Whereas, the amount of a portion of refund (\$18,750) is attributable to a revision in the date upon which the power cost adjustment was passed on to retail customers; and

Whereas, the change in the method of calculating the power cost adjustment from a percentage of billing to a per kilowatt-hour adjustment factor is

intended to make the company's method consistent with that of other New Hampshire electric utilities under the jurisdiction of this commission; it is

Ordered, that First Revised Pages 17, 19, 21, 25, 28, and 32; Second Revised Pages 20, 23, 24, 30, 31; and First Revised Page 1 of Supplement Nos. 1 and 2, Connecticut Valley Electric Company, Inc. tariff NHPUC No. 4 — Electricity, be, and hereby are, allowed to become effective on May 1, 1978; and it is

Further ordered, that a summary accounting of the customer refund be submitted to this commission within sixty days of the termination of the refund; and it is

Further ordered, that a one-time public notice of this filing be made in newspapers having general circulation in the area served.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of April, 1978.

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NH.PUC*04/18/78*[78040]*63 NH PUC 83*New Hampshire Electric Cooperative, Inc.

[Go to End of 78040]

Re New Hampshire Electric Cooperative, Inc.

I-R14,772, Order No. 13,109

63 NH PUC 83

New Hampshire Public Utilities Commission

April 18, 1978

PETITION seeking approval of electric rate contract; granted.

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. 56 with Donald R. and Phyllis M. MacDonald, effective whenever service is made available, 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 eighteenth day of April,

1978.

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NH.PUC*04/18/78*[78041]*63 NH PUC 84*Public Service Company of New Hampshire

[Go to End of 78041]

Re Public Service Company of New Hampshire

DE 78-36, Order No. 13,110

63 NH PUC 84

New Hampshire Public Utilities Commission

April 18, 1978

PETITION of an electric company for authority to install an overhead crossing over a river; granted.

ELECTRICITY, § 7 — Wires and cables — Authorization for transmission lines.

[N.H.] The commission authorized an electric company to place and maintain an electric line over a river on a temporary basis pending any hearing which would be necessary to permit the construction to become permanent, where an objection was filed by an interested party following due notice, and where that party did not seek to delay the construction but merely to eventually participate in a hearing on the matter.

BY THE COMMISSION:

Order

Whereas, by petition filed March 27, 1978, Public Service Company of New Hampshire seeks a license, pursuant to RSA 371:17 and 20 to place and maintain a 4.16 kv electric line over and across the Ashuelot river in Winchester, New Hampshire; and

Whereas, the petition represents that the proposed construction will cross approximately 160 feet of the river and be adjacent to the New Hampshire Route No. 119 bridge; and

Whereas, following due notice, objection was received from one of the interested parties (DRED); and

Whereas, they indicate that they have no intention of delaying the construction activities on this facility but eventually wish to have a hearing on this petition; it is

Ordered, that a license be, and hereby is, granted to the Public Service Company of New Hampshire to place and maintain an electric line over and across the Ashuelot river in Winchester, New Hampshire approximately 160 feet of the river on a temporary basis, pending the results of any hearing which may be necessary to permit this construction to become

permanent, all in accordance with a plan submitted with the petition, and on file in the office of the commission.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of April, 1978.

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NH.PUC*04/21/78*[78042]*63 NH PUC 85*Northern Utilities, Inc.

[Go to End of 78042]

Re Northern Utilities, Inc.

DR 78-41 et al. Order No. 13,111

63 NH PUC 85

New Hampshire Public Utilities Commission

April 21, 1978

PETITION of gas distribution companies for permission to include proposed cost-of-gas adjustments in customer rates; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where natural gas distribution companies sought permission to include proposed cost-of-gas adjustments in their rate schedules based on projected costs and projected sales, the commission found that the companies had properly established their respective adjustments and permitted them to become effective for the projection period.

APPEARANCES: Milton Todd for Northern Utilities, Inc.; Ronald Bisson for Concord Natural Gas Corporation; Robert Giordano for Manchester Gas Company, Inc.; Michael Mancini for Gas Service, Inc.; and J. Michael Love for Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

In accordance with the commission's tariff filing rules and with the terms of the cost-of-gas adjustment tariffs of each of the above named companies proposed cost-of-gas adjustment for the summer period May 1, 1978, to October 31, 1978, have been submitted for the commission's consideration. The proposed cost-of-gas adjustments are:

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

Northern Utilities, Inc.	\$.0495 per therm
Concord Natural Gas Corporation	\$.0505 per therm
Manchester Gas Company	\$.0119 per therm

Gas Service, Inc.	\$(.0664) per therm (Nashua)
	\$(.0776) per therm (Keene)
	\$(.0189) per therm (Laconia)

A duly noticed hearing was held at the office of the commission on April 19, 1978. At that time witnesses for each of the distribution companies submitted revised tariff pages in the form of affidavits reflecting the current projected natural gas costs, propane costs, and projected gas sales for the summer period and also reviewed the components of their various cost-of-gas adjustments.

Cross-examination by LUCC and staff did not reveal any errors, omissions, or problems with the calculations. We find no evidence to justify denial of the proposed cost-of-gas adjustments for the summer period.

Based on all the evidence submitted by the companies we find that they have established their respective cost-of-gas adjustments in a proper manner, and we further find that they should be allowed. Our order will issue accordingly.

Order

Upon consideration of the foregoing

Page 85

report, which is made a part hereof; it is

Ordered, that Ninth Revised Page 22A of Northern Utilities, Inc., Allied Gas Division tariff NHPUC No. 6 — Gas, providing for a cost-of-gas adjustment of \$.0495 per therm for the period of May 1, 1978, through October 31, 1978, be, and hereby is permitted to become effective May 1, 1978; and it is

Further ordered, that Ninth Revised Page 21 and Sixth Revised Page 21A of Concord Natural Gas Corporation tariff NHPUC No. 13 — Gas, providing for a cost-of-gas adjustment of \$.0505 per therm for the period of May 1, 1978, through October 31, 1978, be, and hereby is permitted to become effective May 1, 1978; and it is

Further ordered, that Section 2, 11th Revised Page 3 of Gas Service, Inc. (Nashua) tariff NHPUC No. 5 — Gas, providing for a cost-of-gas adjustment (credit) of \$(.0664) per therm for the period of May 1, 1978, through October 31, 1978, be and hereby is permitted to become effective May 1, 1978; and it is

Further ordered, that Section 3, Ninth Revised Page 3 of Gas Service, Inc. (Keene) tariff NHPUC No. 5 — Gas, providing for a cost-of-gas adjustment (credit) of \$(.0776) per therm for the period May 1, 1978, through October 31, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that Section 4, Tenth Revised Page 3 of Gas Service, Inc. (Laconia) tariff NHPUC No. 5 — Gas, providing for a cost-of-gas adjustment (credit) of \$(.0189) per therm for the period of May 1, 1978, through October 31, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that 11th Revised Page 20 of Manchester Gas Company, Inc. tariff NHPUC

No. 12 — Gas, providing for a cost-of-gas adjustment of \$.0119 per therm for the period May 1, 1978, through October 31, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that public notice of these provisions be given by publication of this order in newspapers having a general circulation in the territories served.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of April, 1978.

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NH.PUC*04/25/78*[78043]*63 NH PUC 86*Public Service Company of New Hampshire

[Go to End of 78043]

Re Public Service Company of New Hampshire

DR 76-46, 27th Supplemental Order No. 13,114

63 NH PUC 86

New Hampshire Public Utilities Commission

April 25, 1978

PETITION of electric companies for authority to apply a fuel adjustment charge to regular monthly billings to their customers; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where electric utilities had filed revisions to their tariffs comprising the monthly calculation of their fuel adjustment charges, the commission found that the filings were in accordance with the applicable provisions of

Page 86

law and that the proposed fuel adjustment charges were just and reasonable, and approved the rate increases.

APPEARANCES: Martin Gross, and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Richard F. Gilmore for Exeter and Hampton Electric Company; Diane Gilman for Connecticut Valley Electric Company, Inc.; Thomas W. Morse for New Hampshire Electric Cooperative, Inc.; Kirk Ramsauer for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Hayden Waterhouse for Woodsville Water and Light Department; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A (II), the commission on April 20, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular May, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on April 17, 1978, filed with this commission 18th Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect May 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corporation. Woodsville reported that during the month of March, 1978, the total fuel cost billed by Central Vermont was \$1,102.31. During this same period the total kilowatt-hours sold by Woodsville was 779,910. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of May, 1978, is 14 cents per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on April 17, 1978, filed with this commission 52nd Revised Page 6 to its tariff, NHPUC No. 1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect May 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of March, 1978, was \$3,616.30. During this same period the total kilowatt-hours sold by Littleton was 2,921,590. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of May, 1978, is 12 cents per hundred kilowatt-hours.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service

Page 87

in the state of New Hampshire, on April 17, 1978, filed with this commission 42nd Revised Page 9A to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect May 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of March, 1978, the total fuel cost billed by Public Service was \$31,148.64. During this same period the total kilowatt-hours sold by Wolfeboro was 2,492,871. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of May, 1978, is \$1.25 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on April 17, 1978, filed with this commission 44th Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect May 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was a credit of \$37,329.08. Total sales to Granite State customers during the same period was 34,412,460, kilowatt-hours. By simple division this yields \$.0011 to which is added the fixed fuel portion of \$.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of May, 1978, is proposed to be \$1.35 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on April 17, 1978, filed with this commission First Revised Page 15 to its tariff, NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on May 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of March, 1978, was \$326,381. Total sales by the Co-op during the same month were 32,298,244 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of May, 1978, is \$1.01 per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on April 19, 1978, filed with this commission 13th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect May 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of March, 1978, the total fuel cost billed by Central Vermont was a credit of \$18,735. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 13,939,792. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of May, 1978, is \$.1344 per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Com-

pany, a public utility engaged in the business of supplying electric service in the state of New Hampshire on April 17, 1978, filed with this commission 34th Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect May 1, 1978. Exeter and Hampton Electric purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of March, 1978, was \$339,177.47. Total

sales by Exeter and Hampton during the same period were 27,283,269 kilowatt-hours. The fuel adjustment, charge, therefore, by simple division and rounded which is proposed for effect in the month of May, 1978, is \$1.24 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on April 10, 1978, filed with this commission 38th Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect May 1, 1978. Concord Electric purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of March, 1978, was \$320,868.24. Total sales during that same period were 26,390,274 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of May, 1978, is \$1.22 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on April 17, 1978, filed with this commission Eighth Revised Pages 17 and 18 to its tariff, NHPUC No. 21 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect May 1, 1978.

The company reported a fuel cost above base of \$6,278,270 and the total kilowatt-hours subject to the fuel adjustment of 489,123,000. By simple division and rounded this yields \$1.28 per hundred kilowatt-hours. A credit adjustment of 6 cents entitled "Merrimack coal adjustments" is applied to the \$1.28 fuel charge for a net fuel adjustment charge of \$1.22 proposed to be applied to customers bills rendered in May, 1978. The coal adjustment followed a method previously authorized by this commission.

The proposed \$1.28 fuel surcharge for May (before Merrimack coal adjustment credit) represents a 10 cent decrease over the fuel surcharge for April. The decrease is primarily attributed to three causes: (1) a reduction in oil prices during the data month of March; (2) a decrease in total kwh purchased from NEPEX as well as a decrease in the average price of the kwh purchased from NEPEX; and (3) an increase in purchases from MEPCO — New Brunswick which are economical purchases.

Evidence revealed a correction of p. 1 of Exh P-1. The item "internal combustion generation — Schiller" is recorded as a charge of \$208. Omitted in this entry is a credit of \$21,006. When included, the net entry for "internal combustion

Page 89

generation — Schiller" is a credit of \$20,798. This correction does not affect the final calculation. Public Service Company of New Hampshire will submit corrected tariff pages reflecting this result.

The record contains a full explanation and review of the efforts of the recently concluded coal strike and the steps Public Service took during that strike to provide coal for its units. Present supply was reviewed and future actions were outlined.

Based upon all of the evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of May, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Ninth Revised Pages 17 and 18 Public Service Company of New Hampshire tariff NHPUC No. 21 — Electricity, providing for the monthly fuel surcharge of \$1.22 per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that 38th Revised Page 15A of Concord Electric Company tariff NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.22 per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that 34th Revised Page 16 of Exeter and Hampton Electric Company tariff NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.24 per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that 13th Revised Page 18 of Connecticut Valley Electric Company, Inc. tariff NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$.001344 per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that First Revised Page 15 of New Hampshire Electric Cooperative, Inc. tariff NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.01 per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that 44th Revised Page 15A of Granite State Electric Company tariff NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.35 per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that 42nd Revised Page 9A of the Municipal Electric Department of Wolfeboro tariff NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$1.25 per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that 52nd Revised Page 6 of Littleton Water and Light Department tariff NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of 12 cents per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978; and it is

Further ordered, that 18th Revised Page 10B of Woodsville Water and Light

Department tariff NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of 14 cents per hundred kilowatt-hours for the month of May, 1978, be, and hereby is, permitted to become effective May 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of April, 1978.

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NH.PUC*04/25/78*[78044]*63 NH PUC 91*Concord Natural Gas Corporation

[Go to End of 78044]

Re Concord Natural Gas Corporation

I-R14,767, Supplemental Order No. 13,116

63 NH PUC 91

New Hampshire Public Utilities Commission

April 25, 1978

PETITION of a gas company for an increase in rates; denied.

RATES, § 39 — Jurisdiction, powers, and duties of state commissions — Procedural matters affecting powers.

[N.H.] The commission denied the request of a natural gas company for a rate increase where the company's last rate increase had only been in effect for fifteen months and, according to state statute, the commission was under no obligation to investigate, but could do so in the exercise of its discretion, any rate matter which it had investigated within a two-year period and where the commission was of the opinion that the supporting data filed did not present adequate justification for an exercise of its discretion to further consider the matter.

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 February 28, 1978, filed with this commission certain revisions of its tariff NHPUC No. 13 — Gas, providing for increased rates designed to produce an increase in annual revenues of \$235,721.73 or 9.1 per cent; and

Whereas, this commission on March 15, 1978, suspended such filing pending further investigation and decision thereon; and

Whereas, this filing follows a previous filing by the company which became effective

January 11, 1977, said tariff having now been in effect for a period of fifteen months; and

Whereas, in accordance with RSA 378:7, this commission is under no obligation to investigate any rate matter which it has investigated within a period of two years, but may do so at its discretion; and

Whereas, it is this commission's opinion that the supporting data submitted by the company in consideration of the filing does not present adequate justification for the commission to give further consideration to the filing at this time; it is

Ordered, that Eighth Revised Pages 13-16 and Sixth Revised Page 17 of NHPUC No. 13 — Gas, of Concord Natural Gas

Page 91

Corporation be, and hereby are, denied; and it is

Further ordered, that the company give public notice of said denial by a one-time publication in a newspaper having general circulation in the area of the territory served.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of April, 1978.

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NH.PUC*04/26/78*[78045]*63 NH PUC 92*New England Telephone and Telegraph Company

[Go to End of 78045]

Re New England Telephone and Telegraph Company

DE 78-22, Order No. 13,118

63 NH PUC 92

New Hampshire Public Utilities Commission

April 26, 1978

PETITION of a telephone company for a license to place and maintain aerial telephone plant on a state-owned railroad right of way; granted.

TELEPHONES, § 2 — In general — Construction and equipment — Licensing.

[N.H.] A license to place and maintain aerial cable on a state-owned railroad right of way was granted to a telephone company where the cable was designed to provide for present service and future growth, no objections to the proposal were filed following due notice to other interested parties, the construction was necessary to meet the reasonable requirements of the public, and exercise of the license would not substantially affect the public rights.

BY THE COMMISSION:

Order

Whereas, by petition filed February 23, 1978, New England Telephone and Telegraph Company seeks a license, pursuant to RSA 371:17-20, to place and maintain aerial cable on state-owned railroad right of way in Tilton, New Hampshire; and

Whereas, the petitioner represents that the proposed plant will be crossing over and paralleling near the intersection of US highway No. 3 and highway No. 3B the railroad right of way and is designed to provide telephone service and for future growth in the New England Telephone Company's Tilton exchange; 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 that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights; it is

Ordered, that a license be, and hereby is, granted to New England Telephone and Telegraph Company, to place and maintain an aerial cable on state-owned railroad right of way in the city of Tilton, all in accordance with the above descrip-

Page 92

tion which is contained in a plan on file at the office of the commission.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of April, 1978.

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NH.PUC*04/26/78*[78046]*63 NH PUC 93*Williamsburg Water Company, Inc.

[Go to End of 78046]

Re Williamsburg Water Company, Inc.

DR 78-53, Order No. 13,119

63 NH PUC 93

New Hampshire Public Utilities Commission

April 26, 1978

PETITION of water company seeking rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Williamsburg Water Company, Inc., a public utility engaged in the business of supplying water service in the state of New Hampshire on April 3, 1978, filed with this commission certain revisions to its tariff, NHPUC No. 1 — Water, providing for increased rates designed to produce additional annual revenues of \$9,795 (237.45 per cent); and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date of said revisions be suspended pending investigation and decision thereon; it is

Ordered, that First Revised Page 16 of tariff, NHPUC No. 1 — Water, of Williamsburg Water Company, Inc. be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of April, 1978.

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NH.PUC*04/26/78*[78047]*63 NH PUC 93*New Hampshire Department of Public Works and Highways

[Go to End of 78047]

Re New Hampshire Department of Public Works and Highways

DT 76-184, Supplemental Order No. 13,121

63 NH PUC 93

New Hampshire Public Utilities Commission

April 26, 1978

PETITION for authority to install a railroad crossing; granted.

CROSSINGS, § 69 — Protection and safety — Division of cost — Cost of maintaining signalization.

[N.H.] Where the state objected to a commission order apportioning the cost of maintaining signalization at a railroad crossing between the state and the railroad alleging that state law required the railroad to bear the entire

Page 93

cost, the commission found, upon an examination of the legislative history of the statute, that its plain meaning provided that the cost was the sole responsibility of the railroad and could not be apportioned to the state.

APPEARANCES: James E. Morris for the Department of Public Works and Highways; John E. O'Keefe for the Boston and Maine Corporation; and W. Michael Dunn for the Suburban Propane

Gas Service, Inc.

BY THE COMMISSION:

Supplemental Report

This matter arose on February 22, 1976, when the New Hampshire Department of Public Works and Highways (department) sought authority to lay out and construct a grade crossing over the tracks of the Boston and Maine Corporation (B&M) in the town of Milford, New Hampshire. After a hearing on the merits on March 28, 1977, the commission issued a report and Order No. 12,760 dated May 18, 1977, authorizing the layout and construction of the crossing at grade and providing the layout and construction of the crossing at grade and providing that all costs of construction, installation, and maintenance of the crossing as well as the costs of installation and maintenance of crossing protection devices (signalization) be borne by the state of New Hampshire. On July 15, 1977, the department petitioned for a reconsideration of Order No. 12,760. Said petition for reconsideration was not filed within the 20-day period for motions for rehearing; however, the commission recognizing the importance of statutory interpretation in this matter and recognizing that Order No. 12,760 represented a departure from previous decisions of the commission, a reconsideration was thought to be necessary and proper in this case. A duly noticed rehearing was held at the offices of the commission on March 6, 1978.

At the hearing counsel for Suburban Propane Gas Service, Inc. withdrew its request for an alternate location of the spur track and accepted the proposal as outlined and authorized in the original proceedings.

Counsel for the department takes the position that it is illegal for the commission to require the state to pay any portion of the maintenance cost of the crossing signals because of the language set forth in RSA 378:10. This statute provides as follows:

"The railroad shall maintain signs, signals, gates, and other equipment installed within the limits of its right of way after the installation thereof."

At the original hearing on March 28, 1977, there was evidence presented to indicate that the taking of land for highway purposes was substantially greater in areas than the proposed traveled surface and shoulders on which the highway would be constructed. As of March 28, 1977, no final determination had been made for the taking. On this basis the commission found that the crossing signals would be installed on land included in the taking; i.e., land owned by the state of New Hampshire and taken by eminent domain. Subsequent to the petition for reconsideration the department by its authorized representatives on September 22, 1977, executed a "Declaration of Taking — A Proceeding in Rem." (Exh 2B, March 6, 1978, hearing.) On September 27, 1977, a "notice of condemnation" describing the extent and boundaries of the taking was recorded in the Hillsborough County

Page 94

Registry of Deeds, Book 2561, p. 162. The notice of condemnation and the declaration of taking reserved to the B&M the right to operate and maintain a railroad within the portion of that property from which the underlying fee was acquired. (Transcript, p. 7, March 6, 1978, hearing.) The above cited documents contain the following language.

"Excepting and reserving to the Boston and Maine Railroad Corporation its successors and assigns, the right to maintain and operate on, over, and across all or any portion of the land within the railroad location which is included in such taking, together with the right to install, construct, and maintain cables, wires, pipes, conduits, or similar appurtenances connected with the operations of the railroad, under, over, and across all or any portion of land within the railroad location." (See Exhs 2A and 2B, March 6, 1978, hearing.)

A proposed force account agreement for construction properly executed by the department on September 7, 1977, but not executed by the B&M was introduced at the hearing on March 6, 1978 (Exh C). The agreement provides in part:

"The state agrees to convey to the trustees the right of easement as shown on the approved plans to accommodate their facilities. This constitutes the replacement of existing rights and facilities." The agreement also provides:

"That when conditions are such that the signals installed under this agreement are no longer needed at this location, and if not reinstalled immediately the signal facilities will be retained and stored by the state." The agreement further provides:

"That the state will petition the New Hampshire Public Utilities Commission for the reinstallation of these signals by the trustees at another crossing of a public highway on this company's line within the state using such funds as may be available at that time."

The B&M has not executed the force account agreement because of the petition for reconsideration before the commission and the consequent uncertainty of the order of May 19, 1977 (Order No. 12,760), which required the state to pay all costs of construction, installation, and maintenance of the crossing as well as the costs of installation and maintenance of signalization. (Transcript, pp. 33-36; March 6, 1978, hearing.)

The issue is whether or not the last sentence of RSA 373:10 quoted above prohibits the commission from apportioning the costs of maintaining signalization between the state of New Hampshire and the B&M. The state does not question or object to the provisions of Order No. 12,760 which requires the state to construct, install, and maintain the crossing, and to install the signalization. Their limited objection goes to the maintenance costs of that signalization after installation.

In an effort to determine the clear meaning of RSA 373:10 we have examined the legislative history of the general laws regarding costs of maintaining signalization and the apportionment of said costs. Chapter 65, Laws of 1935 provides that:

"The *costs of installing, operating, and maintaining* any such gates, signals, or other protective device ... *shall be apportioned* by the commission between the railroad ... and the state equitably and in accordance with the relative benefit to be derived by each from such protection The cost to the state of such apportionment shall be charged on the highway funds."

This provision was effective when the commission issued its orders regarding costs of maintenance of signals at the Sewell's Falls crossing in Concord (Order No. 333 dated July 19,

1937, and Supplemental Order No. 3548 dated October 29, 1938, both in docket DT 1840). Both orders in the above cited docket provided that the cost of maintaining automatic crossing signals after installation at the Sewell's Falls crossing shall be shared equally by the B&M and the state of New Hampshire Highway Department.

The language and intent of Chap 65, Laws of 1935 was also contained in Chap 299, Laws of 1942 which continued in effect until 1951.

Chapter 350, Laws of 1949 established an interim study committee to make a careful study of laws presently regulating or pertaining to railroads and public utilities and of the need or advisability of further legislation. The numerous recommendations of the interim study committee led to a sweeping change in the laws relating to public utilities (Title XXXIV, of the Revised Statutes Annotated) in 1951. See also General Laws 1951, Chap 203. The interim study committee recommended some changes be made regarding the protection of railroad crossings but they recommended that the same language which appeared in Chap 65 of the Laws of 1935 and Chap 299, Laws of 1942 which required costs of maintaining crossing signalization to be apportioned between the railroad and the state be preserved. However, the interim study committee's recommendation to retain this language was not accepted and RSA 373:10 as inserted in the revised statutes annotated by Chap 203 Laws of 1951 provided:

"The railroad shall maintain signs, signals, gates, or other equipment installed within the limits of its right of way after installation thereof."

By enacting this language, the legislature eliminated the previous language governing apportionment of maintenance costs. This new language also does not mention costs of maintaining crossing signalization.

In summary, we have a pre-1951 law relative to the costs of maintaining crossing signalization which provided that the cost of maintaining such signalization on railroad crossings shall be apportioned by the commission between the railroad and the state. And we have a post-1951 law which provides that the railroad shall maintain such crossing signalization but which is silent on two points. One it does not expressly provide for either party to bear the full cost of maintaining the signalization, and two, it does not expressly provide for any apportionment of those maintenance costs. A careful look at other language within RSA 373:10 gives some indication of the legislature's intent in passing that section. The first part of RSA 373:10 provides:

"Every railroad shall construct or improve and operate and maintain ... warning signs, gates, or other protection, ... provided, however, the *cost of construction or improving* such warning signs, gates, or other protections *shall be apportioned* in accordance with provisions of § 3 of this chapter."

The language of this first part of 373:10 does not govern the cost of maintenance of signs and this fact, together with the elimination of the prior apportionment language, leads to the conclusion that the legislature did not intend the cost of maintenance to be apportioned but rather that the cost should follow the railroad's responsibility to maintain protective signalization.

The commission attempts to place an administrative construction on this statute which is consistent with the legislative intent and which is consistent with our long-standing application and interpretation of this statute without any interference or challenge by the legislature or any other party. We think then that the plain meaning of RSA 373:10 is that the cost of maintaining protective signalization is the responsibility of the railroad and not of the state of New Hampshire and that the cost of maintaining such protective signalization cannot be apportioned between the state and the railroad.

It seems clear from the history of the legislation and the circumstances under which the statute was passed that if the legislature wanted the commission to apportion costs of crossing signalization as appeared in the pre-1951 law they would have continued that provision in the post-1951 law. Their action of eliminating it gives credence to this interpretation. *American Motorist Insurance Co. v Central Garage* (1933) 86 NH 362. See also *Bellows Falls Hydroelectric Corp. v New Hampshire* (1946) 94 NH 197.

The reason for commission Order No. 12,760 requiring the department to bear all costs was based upon the evidence at the March 28, 1977, hearing the finding thereon that the taking by the state of New Hampshire was complete. Subsequently, as is indicated in this supplemental report the taking actually excepted and reserved to the railroad a certain right of way to continue their railroad rights and obligations. Since this reservation is now a matter of record and the railroad has defined the limits of the right of way, the railroad shall maintain its protective signalization within the limits of its right of way after installation thereof. And, although RSA 373:10 does not explicitly cover the issue of the cost of said maintenance it can be reasonably construed from that section that the legislature intended the costs of maintenance should be borne by the railroad.

Another good reason for requiring the railroad to undertake the cost of the maintenance of crossing signalization is that there should not be any division of responsibility in regard to that factor. In other words it would be unwise for one party (the railroad) to have the duty to maintain signals while another party (the department) has the duty to pay the costs for the maintenance.

It is clear that in the pre- and post-1951 laws relating to this subject the legislature require the railroad to maintain its own signalization. It also is clear that in 1951 the legislature specifically eliminated the apportionment of the maintenance of signals in favor of a policy which would require the railroad alone to pay for the cost of maintaining crossing signals.

We find support for this conclusion in *Boston & Maine Corp. v Manchester* (1968) 109 NH 521, in which the supreme court stated at pp. 524, 525 that:

"RSA 373:10 provides in part that 'cost of constructing or improving such warning signs, gates, or other protection shall be apportioned in accordance with the provisions of § 3 of this chapter.' The latter provides for apportionment of such costs between the railroad and the city if such crossing is located at the intersection of a railroad and the highway. RSA 373:3. It is to be noted that § 3 deals with apportionment of costs of reconstruction (§ 2) when changes in the physical aspects of crossings are ordered. Similarly, § 10 involved here provides for appor-

tionment of the cost `of constructing or improving warning signs, gates, or other protection.'

"

Section 10 does not provide for the apportionment of costs of maintenance of signalization.

In a subsequent case the supreme court specifically referred to 109 NH 521 (supra) and further clarified and described its holding by stating:

"The state is properly charged with expense peculiar to highway use. Expenses of protection and maintenance of railroad structures may reasonably be cast upon the railroad." (Boston & Maine Corp. v New Hampshire [1969] 109 NH 547, 550.)

Based upon all of the evidence in these proceedings, the commission finds that all of the cost of maintaining protective crossing signalization at the crossing in question shall be borne by the Boston and Maine Railroad. Our order will issue accordingly.

Supplemental Order

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

Ordered, that the New Hampshire Department of Public Works and Highways be, and hereby is, authorized to lay out and construct a crossing at grade over the tracks of the Boston and Maine Corporation in the town of Milford at a point approximately one mile east of Jones' crossing in accordance with plans on file at the office of the commission marked DT 76-184; and it is

Further ordered, that the crossing authorized herein be protected by the installation of automatic flashing lights to be interconnected with traffic lights to be installed at the intersection of the proposed new highway, Route 101, and the present highway No. 101, all in a manner satisfactory to the commission; and it is

Further ordered, that the spur track serving the Suburban Propane Gas Service, Inc. be relocated in accordance with plans on file with the commission as referred to above; and it is

Further ordered, that all costs of construction, installation, and maintenance of the crossing shall be borne by the state of New Hampshire; and it is

Further ordered, that all costs of constructing and installing protective crossing signalization shall be borne by the state of New Hampshire; and it is

Further ordered, that all costs of maintaining the protective crossing signalization shall be borne by the Boston and Maine Corporation.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of April, 1978.

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NH.PUC*05/01/78*[78048]*63 NH PUC 98*New England Telephone and Telegraph Company

[Go to End of 78048]

Re New England Telephone and Telegraph Company

DE 78-25, Order No. 13,126

63 NH PUC 98

New Hampshire Public Utilities Commission

May 1, 1978

PETITION of a telephone company for a license to maintain buried telephone plant on state-owned land; granted.

Page 98

TELEPHONES, § 2 — In general — Construction and equipment — Licensing.

[N.H.] A license to maintain buried telephone plant on state-owned land running along a railroad right of way was granted to a telephone company where the proposed maintenance would be on buried cable no objections to the proposal were filed following due notice to other interested parties, the maintenance was necessary to meet the reasonable requirements of the public, and exercise of the license would not substantially affect the public rights and the area crossed.

BY THE COMMISSION:

Order

Whereas, by petition filed February 28, 1978, New England Telephone and Telegraph Company seeks a license pursuant to RSA 371:17-20 to maintain buried telephone plant on state-owned land in Tilton, New Hampshire; and

Whereas, the petitioner represents that the proposed maintenance will be on buried cable running along the railroad right, of way near School street and is used to provide telephone service in the New England Company's Tilton exchange; and

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

Ordered, that a license be, and hereby is, granted to New England Telephone and Telegraph Company to maintain buried telephone plant on state-owned land running along the railroad right of way near School street in Tilton, New Hampshire, 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 first day of May, 1978.

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NH.PUC*05/01/78*[78049]*63 NH PUC 99*New England Telephone and Telegraph Company

[Go to End of 78049]

Re New England Telephone and Telegraph Company

DE 78-18, Order No. 13, 127

63 NH PUC 99

New Hampshire Public Utilities Commission

May 1, 1978

PETITION of a telephone company for a license to maintain buried cable and conduit on a state-owned railroad right of way; granted.

TELEPHONES, § 2 — In general — Construction and equipment — Licensing.

[N.H.] A license to maintain buried cable and conduit on state-owned land on a railroad right of way was granted to a telephone company where the cable would be used to provide for present service and future growth,

Page 99

no objections the proposal were filed following due notice to other interested parties, the maintenance was necessary to meet the reasonable requirements of the public, and exercise of the license would not substantially affect the public rights and the area crossed.

BY THE COMMISSION:

Order

Whereas, by petition filed February 8, 1978, New England Telephone and Telegraph Company seeks a license pursuant to RSA 371:17-20 to maintain buried cable and conduit on state-owned railroad right of way in Belmont, New Hampshire off old highway No. 3; and

Whereas, the petitioner represents that the proposed maintenance will be on buried cable and conduit running along the railroad right of way in Belmont, New Hampshire and is used to provide telephone service and for future growth in the New England company's Laconia exchange; and

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

Ordered, that a license be, and hereby is, granted to New England Telephone and Telegraph Company to maintain buried cable and conduit on state-owned land on railroad right of way in

Belmont, New Hampshire off old highway No. 3, 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 first day of May, 1978.

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NH.PUC*05/01/78*[78050]*63 NH PUC 100*New England Telephone and Telegraph Company

[Go to End of 78050]

Re New England Telephone and Telegraph Company

DE 78-17, Order No. 13,128

63 NH PUC 100

New Hampshire Public Utilities Commission

May 1, 1978

PETITION of a telephone company for a license to maintain buried cable on a state-owned right of way; granted.

TELEPHONES, § 2 — In general — Construction and equipment — Licensing.

[N.H.] A license to maintain buried cable on a state-owned right of way was granted to a telephone company where the cable would be used to provide for present service and future growth, no objections to the proposal were filed following due notice to other interested parties, the maintenance was necessary to meet the reasonable requirements of the

Page 100

public, and exercise of the license would not substantially affect the public rights of the area crossed.

BY THE COMMISSION:

Order

Whereas, by petition filed February 8, 1978, New England Telephone and Telegraph Company seeks a license pursuant to RSA 371:17-20 to maintain buried cable on state-owned right of way in Meredith; and

Whereas, said petitioner represents that the proposed maintenance will be on buried cable on stated-owned railroad right of way in Meredith, New Hampshire off Winona road and is used to provide telephone service and provide for future growth in the New England Company's Meredith exchange; and

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

Ordered, that a license be, and hereby is, granted to New England Telephone and Telegraph Company to maintain buried cable on state-owned railroad right of way in Meredith, New Hampshire 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 first day of May, 1978.

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NH.PUC*05/01/78*[78051]*63 NH PUC 101*New England Telephone and Telegraph Company

[Go to End of 78051]

Re New England Telephone and Telegraph Company

DE 78-16, Order No. 13,129

63 NH PUC 101

New Hampshire Public Utilities Commission

May 1, 1978

PETITION of a telephone company for a license to maintain buried cable and conduit on a state-owned railroad right of way; granted.

TELEPHONES, § 2 — In general — Construction and equipment — Licensing.

[N.H.] A license to maintain buried cable and conduit on a state-owned railroad right of way was granted to a telephone company where the cable would be used to provide for present service and future growth, no objections to the proposal were filed following due notice to other interested parties, the maintenance was necessary to meet the reasonable requirements of the public, and exercise of the license would not substantially affect the public rights of the area crossed.

BY THE COMMISSION:

Order

Whereas, by petition filed February 8,

Page 101

1978, New England Telephone and Telegraph Company seeks a license to maintain buried cable and conduit on state-owned railroad right of way in Laconia pursuant to RSA 371:17-20; and

Whereas, said petitioner represents that the proposed maintenance will be on buried cable and conduit on state-owned railroad right of way in Laconia near Meeser street and Elm street, and is used to provide telephone service and provides for future growth in the New England company's Laconia exchange; and

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

Ordered, that a license be, and hereby is, granted to New England Telephone and Telegraph Company to maintain buried cable and conduit on state-owned railroad right of way in Laconia near Messer street and Elm street, 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 first day of May, 1978.

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NH.PUC*05/01/78*[78052]*63 NH PUC 102*New England Telephone and Telegraph Company

[Go to End of 78052]

Re New England Telephone and Telegraph Company

DE 78-15, Order No. 13,130

63 NH PUC 102

New Hampshire Public Utilities Commission

May 1, 1978

PETITION of a telephone company for a license to maintain buried cable and conduit on a state-owned railroad right of way; granted.

TELEPHONES, § 2 — In general — Construction and equipment — Licensing.

[N.H.] A license to maintain buried cable and conduit on a state-owned railroad right of way was granted to a telephone company where the cable would be used to provide for present service and future growth, no objections to the proposal were filed following due notice to other interested parties, the maintenance was necessary to meet the reasonable requirements of the public, and exercise of the license would not substantially affect the public rights or the area crossed.

BY THE COMMISSION:

Order

Whereas, by petition filed February 8, 1978, New England Telephone and Telegraph Company seeks a license to maintain buried cable and conduit on state-owned railroad right of way in Concord, New Hampshire near West Portsmouth street pursuant to RSA 371:17-20; and

Page 102

Whereas, said petitioner represents that the proposed maintenance will be on buried cable and conduit on said state-owned railroad right of way in Concord near West Portsmouth street and is used to provide telephone service and for future growth in the New England Company's Concord exchange; and

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

Ordered, that a license be, and hereby is, granted to New England Telephone and Telegraph Company to maintain buried cable and conduit on state-owned railroad right of way in Concord near West Portsmouth street, 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 first day of May, 1978.

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NH.PUC*05/08/78*[78053]*63 NH PUC 103*Public Service Company of New Hampshire

[Go to End of 78053]

Re Public Service Company of New Hampshire

DF 78-32, Supplemental Order No. 13,137

63 NH PUC 103

New Hampshire Public Utilities Commission

May 8, 1978

PETITION of electric company for authority to issue and sell common stock; granted.

SECURITY ISSUES, § 108 — Sale price and interest rate; par value and stated value — Stock.

[N.H.] The commission approved the sale by an electric company of 1,300,000 shares of \$5

par value common stock under an agreement with underwriters who would make a public offering of the stock at \$18.37 a share, finding that the terms of the sale, including the price, were consistent with the public good.

BY THE COMMISSION:

Supplemental Order

Whereas, our Order No. 13,098 dated March 29, 1978, issued in the above entitled proceeding, authorized Public Service Company of New Hampshire, inter alia, to issue and sell not exceeding 1.5 million shares of common stock, \$5 par value, subject to further order of this commission; and

Whereas, in compliance with said Order No. 13,098 following negotiation with underwriters, the company has submitted to this commission the details concerning the sale of said common stock, which contemplate the issue and sale of 1.3 million shares of said common stock by the company to underwriters

Page 103

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 \$18.37 per share; and

Whereas, after due consideration, it appears that the issue and sale of said common stock upon the terms, including the price, 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 \$18.37 per share in cash 1.3 million shares of its common stock, \$5 par value, said stock to be sold at said price of \$18.37 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 all other provisions of said Order No. 13,098 of this commission relating to the sale of common stock are incorporated herein by reference.

By order of the Public Utilities Commission of New Hampshire this eighth day of May, 1978.

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NH.PUC*05/17/78*[78054]*63 NH PUC 104*Mount Crescent Water Company

[Go to End of 78054]

Re Mount Crescent Water Company

DR 78-63, Order No. 13,142

63 NH PUC 104

New Hampshire Public Utilities Commission

May 17, 1978

PETITION of water company seeking rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Mount Crescent Water Company, a public utility engaged in the business of supplying water service in the state of New Hampshire, on May 4, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 3 — Water, providing for an increase in the general water service Classification G, effective June 1, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Second Revised Page 5 of tariff, NHPUC No. 3 — Water, of Mount Crescent Water Company be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of May, 1978.

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NH.PUC*05/17/78*[78055]*63 NH PUC 105*Francestown Electric and Water Company

[Go to End of 78055]

Re Francestown Electric and Water Company

DR 78-62, Order No. 13,143

63 NH PUC 105

New Hampshire Public Utilities Commission

May 17, 1978

PETITION of electric and water utility seeking water rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Francestown Electric and Water Company, a public utility engaged in the business of supplying water service in the state of New Hampshire, on May 5, 1978, filed with this

commission certain revisions of its tariff, NHPUC No. 3 — Water, providing for an increase in the General Service — Metered G-1 rate, effective June 1, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Second Revised Page 6 of tariff, NHPUC No. 3 — Water, of Frankestown Electric and Water Company be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of May, 1978.

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NH.PUC*05/17/78*[78056]*63 NH PUC 105*Wolfeboro Municipal Electric Department

[Go to End of 78056]

Re Wolfeboro Municipal Electric Department

DR 78-68, Order No. 13,144

63 NH PUC 105

New Hampshire Public Utilities Commission

May 17, 1978

PETITION of municipal electric utility seeking rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Wolfeboro Municipal Electric Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on April 27, 1978, filed with this commission its tariff, NHPUC No. 5 — Electricity, providing for revised rates, effective June 1, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that tariff, NHPUC No. 5 —

Page 105

Electricity of Wolfeboro Municipal Electric Department be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of May, 1978.

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NH.PUC*05/18/78*[78057]*63 NH PUC 106*New Hampshire Electric Cooperative, Inc.

[Go to End of 78057]

Re New Hampshire Electric Cooperative, Inc.

I-R14,778, Order No. 13,145

63 NH PUC 106

New Hampshire Public Utilities Commission

May 18, 1978

PETITION seeking approval of contracts for electric service; granted.

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. 57 with Charles W. Abbott, Jr., effective on the date said contract is authorized by commission order, 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 eighteenth day of May, 1978.

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NH.PUC*05/18/78*[78058]*63 NH PUC 106*Southern New Hampshire Gas Company

[Go to End of 78058]

Re Southern New Hampshire Gas Company

DR 77-175, Order No. 13,146

63 NH PUC 106

New Hampshire Public Utilities Commission

May 18, 1978

PETITION for a rate increase; granted.

RATES, § 122 — Reasonableness of rates — Gas company.

[N.H.] The commission approved a gas company's proposed tariff revision, even where it would result in a rate of return below its computed cost of capital by approximately 50 per cent, where the company stated that it was willing to accept that amount in order to re-

Page 106

main competitive with other forms of energy. p. 107.

2. SERVICE, § 254 — Discontinuance of service — Gas company.

[N.H.] The commission permitted a gas utility to eliminate its domestic class tariff where it had no domestic customers and there were no anticipated opportunities for additions in the future. p. 107.

3. RATES, § 386 — Rate structure — Gas company.

[N.H.] The commission revised a company's commercial-industrial rates to increase the number of declining blocks and include five therms in the first block. p. 107.

APPEARANCES: Louis Soule for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

On November 30, 1977, Southern New Hampshire Gas Company, Inc. (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 Pages 16, 17 of its tariff, NHPUC No.1 — Gas, providing for an increase in basic gas rates of \$23,269 or 10 per cent for the commercial and industrial customer class and elimination of the domestic class tariff, which has no customers, both to become effective January 1, 1978. The commission suspended the effective date of the filing (See Order No. 12,990 dated December 9, 1977), and also ordered a duly noticed hearing to be held at the commission on March 28, 1978.

[1] The company presented exhibits and testimony that together with data on file with this commission indicate, that under existing rates, the company has been earning and will continue to earn substantially below a fair rate of return.

The company's filing is estimated to result in a rate of return below its computed cost of capital by approximately 50 per cent. 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 hoped 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 for them.

After hearing and review of the evidence, the commission finds that the company is justified in its rate request. Based upon all of the evidence we make the further finding that the requested increase is smaller than what could be proven as just and reasonable. In view of these findings the commission does not find it necessary at this time to decide specific issues relating to rate base, expenses, or cost of capital. Any adjustment the commission may make at this time would not change the result since the company needs all of the increase they have requested.

In accepting this total requested increase we do not accept the specific pro forma expense adjustments, capitalization rates and ratios, use of year-end rate base, and working capital computation, nor do we pass on the merits of the contentions raised in the LUCC brief. These matters can await determination.

[2] The company proposes to eliminate its service offering to domestic customers. Its witness testified that there are not now, and have never been, any domestic customers, and that there are no anticipated opportunities for additions in the future. We do not object to the cancellation of the offering.

[3] The rate structure of the commercial-industrial class is revised slightly to provide for six declining

Page 107

blocks instead of two. The first block will now include five therms. We do not object to this revision. Our order will issue accordingly.

Order

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

Ordered, that tariff page numbered Second Revised Page 17 providing for an increase of \$23,269 may become effective with the date of this order; and it is

Further ordered, that tariff page numbered Second Revised Page 16, providing for elimination of the domestic class tariff may become effective with the date of this order; and it is

Further ordered, that Southern New Hampshire Gas Company, Inc. 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 eighteenth day of May, 1978.

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NH.PUC*05/19/78*[78059]*63 NH PUC 108*New Hampshire Electric Cooperative, Inc.

[Go to End of 78059]

Re New Hampshire Electric Cooperative, Inc.

DF 78-19, Order No. 13,147

63 NH PUC 108

New Hampshire Public Utilities Commission

May 19, 1978

PETITION for authority to secure a loan from the United States Rural Electrification Administration; granted.

SECURITY ISSUES, § 58 — Mortgage notes — Authorization.

[N.H.] A utility was granted authority to issue and sell mortgage notes where the commission found that the proceeds were to be utilized for system improvements, additions, and extensions.

APPEARANCES: Mayland H. Morse, Jr. for the petitioner; and J. Michael Love for the Legislative Utility Consumers Council.

BY THE COMMISSION:

Report

By petition filed March 21, 1978, and upon which a hearing was held on April 6, 1978, jointly before the New Hampshire Public Utilities Commission and the Vermont Public Service Board, The New Hampshire Electric Cooperative operating as an electric public utility in New Hampshire seeks authority pursuant to RSA 369 to borrow \$13,071,000 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 and for additions and extensions to the existing system.

The New Hampshire Electric Cooperative, Inc. represents that as of December 31, 1977, its long-term debt including interest thereon is as follows:

Page 108

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

a. Long-term Debt to REA:	
36 notes in the face amount of	\$39,581,179.59
Less unadvanced funds as at 12/31/77	2,098,000.00
Net amount borrowed	\$37,483,179.59
Repayment to date applicable to said notes	7,013,177.07
Net long-term debt, 12/31/77	\$30,470,002.52
Add: Unadvanced funds	2,098,000.00
Long-term debt, 12/31/77	\$32,568,002.52
Accrued and deferred interest (not due)	152,303.38
Net long-term debt, 12/31/77	\$32,720,305.90

b. Long-term Debt to National Utilities Cooperative Finance Corporation	\$ 350,000.00
One note in the face amount of	
Repayment to date applicable to said note	7,532.34
Net long-term debt, 12/31/77	<u>\$ 342,467.66</u>
c. Long-term Debt to Plymouth Guaranty Savings Bank, Plymouth, N.H.:	
One note in the face amount of	\$ 300,000.00
Repayment to date applicable to said note	47,451.06
Net long-term debt, 12/31/77	<u>\$ 252,548.94</u>

There are no short-term notes outstanding.

The \$13,071,000 would be advanced against the security of the petitioner's first mortgage notes. Those notes payable to REA in thirty-five years would bear interest at the rate of 5 per cent per annum and would be issued and secured under the Cooperative's mortgage to the United States of America dated January 1, 1969, and supplement mortgages dated November 16, 1971, and May 1, 1974, and loan contracts and notes subsequent thereto and secured thereunder.

The cooperative proposes to accommodate its requirements with the aggregate borrowing of \$13,071,000 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 January 1, 1978, to December 31, 1979, the Cooperative proposes to expend for system improvements, additions, and extension 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	\$ 2,295,000
B. New Tie Lines	353,300
C. Conversion and Line Changes	3,796,000
D. New Substation or Meter Points	514,700
E. Increased Substation Capacity	1,137,350
F. Miscellaneous Distribution Equipment	3,734,750
G. Engineering System Improvements	287,900
Total for Distribution	<u>\$12,119,000</u>
2. Transmission	
A. New Line	\$ 917,300
B. Engineering Costs	77,200
C. New Substations	165,000
D. Substation Site Procurement	75,000
E. Right-of-Way Procurement	129,500
Total Transmission	<u>\$1,364,000</u>
Total Loan Requirements	\$13,483,000
Less: Previous Loan Funds Available	411,367
Net New Loan Requirements	\$13,071,683
Rounded to	\$13,071,000

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 petitioner as a basis for system improvements summarized and set forth above. Testimony of 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 which will expand and improve its service to the public and that financing thereof as proposed herein is 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 \$13,071,000 of its mortgage notes to the United States government, acting through the Rural Electrification Administration whereby said note or notes shall become payable not more than thirty-five years from the date of issue and will bear interest at the rate of 5 per cent per annum to those representing direct borrowing from the Rural Electrification Administration; 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 supplement mortgages dated November 16, 1971, and May 1, 1974, and loan contracts and notes subsequent thereto and secured thereunder; and it is

Further ordered, that the aggregate borrowing of \$13,071,000 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 Electric Cooperative, Inc. for system improvements; for additions and extensions to its existing system; and to reimburse its treasury for

Page 110

moneys expended for other such additions and extension; and it is

Further ordered, that on January 1st and July 1st of each year, said New Hampshire Electric Cooperative, Inc. shall file with this commission a detailed statement duly sworn to by its treasurer showing the disposition of the proceeds of such notes as shall be 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 nineteenth day of May,

1978.

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NH.PUC*05/19/78*[78060]*63 NH PUC 111*Concord Natural Gas Corporation

[Go to End of 78060]

Re Concord Natural Gas Corporation

I-R14,767, Second Supplemental Order No. 13,148

63 NH PUC 111

New Hampshire Public Utilities Commission

May 19, 1978

MOTION for rehearing regarding gas rate increase; granted.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for rehearing filed on May 12, 1978, for and on behalf of Concord Natural Gas Corporation on Supplemental Order No. 13,116 dated April 25, 1978, in the above entitled matter; after full consideration of the allegations in said motion is of the opinion, and the order is, that said motion for rehearing be, and hereby is, granted.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of May, 1978.

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NH.PUC*05/19/78*[78061]*63 NH PUC 111*New Hampshire Department of Public Works and Highways

[Go to End of 78061]

Re New Hampshire Department of Public Works and Highways

DT 76-184, Second Supplemental Order No. 13,149

63 NH PUC 111

New Hampshire Public Utilities Commission

May 19, 1978

PETITION for rehearing regarding request for authority to construct a grade crossing; denied.

Page 111

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for rehearing filed on May 16, 1978, for and on behalf of counsel for the Boston and Maine Corporation on Supplemental Order No. 13,121 dated April 26, 1978, in the above entitled matter; after full consideration of the allegations in said motion, 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 nineteenth day of May, 1978.

=====

NH.PUC*05/22/78*[78062]*63 NH PUC 112*Northern Utilities, Inc.

[Go to End of 78062]

Re Northern Utilities, Inc.

I-R14,787, Order No. 13,150

63 NH PUC 112

New Hampshire Public Utilities Commission

May 22, 1978

PETITION seeking approval of contract for gas service; granted.

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. 35 with Kittery Laundry, Inc., d/b/a Colonial Services, Portsmouth, for 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 date of this order.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of May, 1978.

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NH.PUC*05/22/78*[78063]*63 NH PUC 112*Northern Utilities, Inc.

[Go to End of 78063]

Re Northern Utilities, Inc.

I-R14,788, Order No. 13,151

63 NH PUC 112

New Hampshire Public Utilities Commission

May 22, 1978

PETITION seeking approval of contract for gas service; granted.

Page 112

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. 36 with Kittery Laundry, Inc., d/b/a Colonial Services, Rochester, for 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 date of this order.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of May, 1978.

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NH.PUC*05/22/78*[78064]*63 NH PUC 113*Rate Structures of Electric Utilities

[Go to End of 78064]

Re Rate Structures of Electric Utilities

DR 75-20, Fourth Supplemental Order No. 13,152

63 NH PUC 113

New Hampshire Public Utilities Commission

May 22, 1978

PETITION of electric utility for an option peak-load pricing rate for residential customers; suspended pending commission investigation.

BY THE COMMISSION:

Supplemental Order

Whereas, Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on May 9, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 21 — Electricity, providing for an optional peak load pricing rate for residential customers, filed with this office for effect September 1, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Original Pages 41, 42, 43, 44, and 45 of tariff, NHPUC No. 21 — Electricity, of Public Service Company of New Hampshire be, and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of May, 1978.

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NH.PUC*05/22/78*[78065]*63 NH PUC 114*City of Dover Water Department

[Go to End of 78065]

Re City of Dover Water Department

I-R14,789, Order No. 13,153

63 NH PUC 114

New Hampshire Public Utilities Commission

May 22, 1978

PETITION for a rate increase; granted.

RATES, § 136 — Reasonableness of rates — Comparison.

[N.H.] The commission approved a rate increase for water service provided to several towns where the proposed increase was the same as that voted by the city council for customers within the city.

BY THE COMMISSION:

Order

Whereas, the city of Dover Water Department, a public utility engaged in the business of supplying water service in the state of New Hampshire insofar as it provides water service in limited areas in the towns of Madbury, Rollinsford, and Somersworth on May 15, 1978, filed with this commission a proposed increase in the rates charged to its customers in these towns in

the amount of \$1,236.19 (15 per cent) for effect September 1, 1978; and

Whereas, this increase is the same as the increase voted by the Dover city council for water customers within the city of Dover, effective September 1, 1978; and

Whereas, this commission, after investigation and consideration, finds that the increase in rates sought is necessary and consistent with the public good; and no comments or objections by the public were received following public notice of this proposed increase; it is

Ordered, that the proposed increase in water rates filed on May 15, 1978, by the city of Dover Water Department for effect in the towns of Madbury, Rollinsford, and Somersworth be, and hereby is, permitted to become effective with all current bills rendered on or after September 1, 1978; and it is

Further ordered, that the city of Dover Water Department give public notice of the new rates by publication of this order in a newspaper having general circulation in the areas affected.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of May, 1978.

=====

NH.PUC*05/22/78*[78066]*63 NH PUC 114*City of Laconia

[Go to End of 78066]

Re City of Laconia

I-T 14,770, Order No. 13,155

63 NH PUC 114

New Hampshire Public Utilities Commission

May 22, 1978

PETITION for exemption from rule requiring vehicles to stop at crossing; granted.

Page 114



CROSSINGS, § 71 — Safety rules — Exemption.

[N.H.] The commission found that a rule requiring motor vehicles carrying inflammable or dangerous commodities to stop before proceeding over a crossing created an unnecessary hazard to highway traffic and authorized the Department of Public Works and Highways to erect an "exempt" sign at the crossing to eliminate the necessity of having vehicles stop before proceeding over the crossing.

BY THE COMMISSION:

Order

Whereas, Route US 3 intersects the Goodwin railroad at grade in the city of Laconia on Union avenue, known as the Black Brook crossing; and

Whereas, rail operations over this section are limited to approximately six times per year; and

Whereas, the said crossing is protected by stopping all train movements and flagging by a member of the train crew before any movement passes over it; and

Whereas, under present circumstances all motor vehicles carrying inflammable or dangerous commodities are required to stop before proceeding over the said crossing, thus creating an unnecessary hazard to highway traffic; it is

Ordered, that pursuant to the provisions of RSA 262-A :47 III, the New Hampshire Department of Public Works and Highways be, and hereby is, authorized to erect and maintain a standard "exempt" sign on the mast which supports the advance warning disc at each approach to the grade crossing at the intersection of the Goodwin railroad, and Union avenue in the city of Laconia thereby eliminating the necessity for stopping certain vehicles before proceeding over said crossing; and it is

Further ordered, that all train movements, before passing over the said crossing shall stop and the crossing flagged by a member of the crew, and when highway traffic has stopped, the train movement shall then proceed over the crossing.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of May, 1978.

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NH.PUC*05/22/78*[78067]*63 NH PUC 115*Earl Peaslee, d/b/a Little Pond Disposal et al.

[Go to End of 78067]

Re Earl Peaslee, d/b/a Little Pond Disposal et al.

DT 78-58, Order No. 13,156

63 NH PUC 115

New Hampshire Public Utilities Commission

May 22, 1978

PETITION for authority to transfer a certificate of public convenience and necessity; granted.

CERTIFICATES, § 137 — Certificates of public convenience and necessity — Transfer.

[N.H.] The commission authorized the transfer of a certificate of public convenience and necessity incident to the sale of a business.

BY THE COMMISSION:

Order

Whereas, Earl Peaslee, d/b/a Little Pond Disposal was issued Property Carrier Certificate of Public Convenience and Necessity No. 315 under Order No. 11,085 dated September 11, 1973, and amended by Supplemental Order No. 11,157 dated November 2, 1973, authorizing operations as a common carrier in the transportation of refuse and rubbish between all points and places in the towns of Madison, Freedom, Effingham, Ossipee Tamworth, Tuftonboro, Moultonboro, Center Harbor, Sandwich, and Eaton; and

Whereas, said Earl Peaslee, d/b/a Little Pond Disposal has negotiated the sale of his business to J. Douglass Lowrey; and

Whereas, Earl Peaslee, d/b/a Little Pond Disposal desires to transfer the said certificate to J. Douglass Lowrey and upon consummation of the transfer to discontinue operations thereunder; and

Whereas, pursuant to RSA 375-B:10 the commission is of the opinion that the transfer should be allowed; it is

Ordered, that Earl Peaslee, d/b/a Little Pond Disposal be, and hereby is, authorized to transfer Property Carrier Certificate of Public Convenience and Necessity No. 315 as issued under Order No. 11,085 dated September 11, 1973, and amended by Supplemental Order No. 11,157 dated November 2, 1973, to J. Douglass Lowrey, and upon consummation of the transfer to discontinue operations thereunder; and it is

Further ordered, that the said J. Douglass Lowrey be, and hereby is, authorized to receive the said Property Carrier Certificate of Public Convenience and Necessity No. 315 and to continue operations thereunder; and it is

Further ordered, that said operations shall comply with the provisions of RSA 375-B and the rules and regulations prescribed by the Public Utilities Commission pursuant thereto.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of May, 1978.

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NH.PUC*05/22/78*[78068]*63 NH PUC 116*Public Service Company of New Hampshire et al.

[Go to End of 78068]

Re Public Service Company of New Hampshire et al.

DR 76-46, 28th Supplemental Order No. 13,158

63 NH PUC 116

New Hampshire Public Utilities Commission

May 22, 1978

PETITION for authority to apply a fuel adjustment charge to regular monthly billings; granted.

RATES, § 303 — Fuel adjustment clauses — Electric companies.

[N.H.] The commission authorized electric utilities to recover fuel costs through a fuel adjustment charge applied to regular monthly bills.

Page 116

APPEARANCES: Eaton W. Tarbell, Jr., and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Robert Bover for Exeter and Hampton Electric Company; Diane Gilman for Connecticut Valley Electric Company, Inc.; Thomas W. Morse for New Hampshire Electric Cooperative, Inc.; Philip H. R. Cahill for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Miles Roy for Woodsville Water and Light Department; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378 :3-A(II), the commission on May 18, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular June, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on May 15, 1978, filed with this commission 19th Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect June 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corporation. Woodsville reported that during the month of April, 1978, the total fuel cost billed by Central Vermont was \$1,595.22. During this same period the total kilowatt-hours sold by Woodsville was 689,554. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of June, 1978, is 23 cents per hundred kilowatt-hours.

Littleton Water and Light Department.

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on May 11, 1978, filed with this commission 53rd Revised Page 6 to its tariff NHPUC No. 1 — Electricity, comprising the monthly calculation of

the fuel adjustment charge for effect June 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of April, 1978, was a credit of \$2,728.24. During this same period the total kilowatt-hours sold by Littleton was 3,074,886. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of June, 1978, is a credit of nine cents per hundred kilowatt-hours to be refunded.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on May 8, 1978, filed with this commission 43rd Revised Page 9A to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjust-

Page 117

ment charge for effect June 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of April, 1978, the total fuel cost billed by Public Service was \$24,639.84. During this same period the total kilowatt-hours sold by Wolfeboro was 2,337,006. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of June, 1978, is 81.05 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on May 15, 1978, filed with this commission 45th Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect June 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was a credit of \$28,189.10. Total sales to Granite State customers during the same period was 28,758,253 kilowatt-hours. By simple division this yields \$0.0098 to which is added the fixed fuel portion of \$.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of May, 1978, is proposed to be \$1.14 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on May 16, 1978, filed with this commission Second Revised Page 15 to its tariff NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on June 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of April, 1978, was \$228,439. Total sales by the Co-op during the same month were 28,002,818 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of June, 1978, is 82 cents per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of

supplying electric service in the state of New Hampshire on May 15, 1978, filed with this commission 14th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect June 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of April, 1978, the total fuel cost billed by Central Vermont was \$26,222. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 12,154,447. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of June, 1978, is \$0.2157 per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in

Page 118

the state of New Hampshire on May 11, 1978, filed with this commission 35th Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect June 1, 1978. Exeter and Hampton Electric purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of April, 1978, was \$230,335.99. Total sales by Exeter and Hampton during the same period were 24,958,646 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of June, 1978, is 92 cents per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on May 9, 1978, filed with this commission 39th Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect June 1, 1978. Concord Electric purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of April, 1978, was \$214,788.84. Total sales during that same period were 22,972,548 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of June, 1978, is 94 cents per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on May 16, 1978, filed with this commission Tenth Revised Pages 17, 18 to its tariff, NHPUC No. 21 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect June 1, 1978.

The company reported a fuel cost above base of \$6,388,744 and the total kilowatt-hours subject to the fuel adjustment of 445,967,000. By simple division and rounded this yields \$1.13 per hundred kilowatt-hours to be applied to customers bills rendered in June, 1978.

The proposed \$1.13 fuel surcharge for June represents a nine-cent decrease over the fuel

surcharge for May. The decrease is primarily attributed to three causes: (1) an increase in energy provided by hydroelectric plants in the data month of April; (2) an increase in energy provided by nuclear plants in April; and (3) a decrease in energy lost and unaccounted for.

The record contains a full explanation of the unscheduled outages at Merrimack Unit No. 2.

Based upon all of the testimony and evidence in the record of this proceeding the commission finds that the proposed fuel adjustment charges for the month of June, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Tenth Revised Pages 17, 18 of Public Service Company of New Hampshire tariff NHPUC No. 21 — Electricity, providing for the monthly

Page 119

fuel surcharge of \$1.13 per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978; and it is

Further ordered, that 39th Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of 94 cents per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978; and it is

Further ordered, that 35th Revised Page 16 of Exeter and Hampton Electric Company tariff, NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of 92 cents per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978; and it is

Further ordered, that 14th Revised Page 18 of Connecticut Valley Electric Company, Inc. tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$0.2157 per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978; and it is

Further ordered, that Second Revised Page 15 of New Hampshire Electric Cooperative, Inc., tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of 82 cents per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978; and it is

Further ordered, that 45th Revised Page 15A of Granite State Electric Company tariff NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.14 per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978; and it is

Further ordered, that 43rd Revised Page 9A of the Municipal Electric Department of Wolfeboro tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$1.05 per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978; and it is

Further ordered, that 53rd Revised Page 6 of Littleton Water and Light Department tariff, NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge credit of nine cents per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978; and it is

Further ordered, that 19th Revised Page 10B of Woodsville Water and Light Department tariff, NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of 23 cents per hundred kilowatt-hours for the month of June, 1978, be, and hereby is, permitted to become effective June 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of May, 1978.

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NH.PUC*05/23/78*[78069]*63 NH PUC 121*Granite State Electric Company

[Go to End of 78069]

Re Granite State Electric Company

DR 77-63, Supplemental Order No. 13,159

63 NH PUC 121

New Hampshire Public Utilities Commission

May 23, 1978

PETITION for a rate increase; granted.

1. VALUATION, § 251 — Customer deposits and advances — Valuation.

[N.H.] Where a utility was required to pay interest on customer deposits and advances, the commission declined to deduct the relevant amounts from the rate base. p. 122.

2. RETURN, § 26 — Cost of capital — Customer deposits and advances.

[N.H.] Where a utility was required to pay interest on customer deposits and advances, the commission declined to include the relevant amounts in the company's capital structure as zero cost capital. p. 122.

3. VALUATION, § 287 — Working capital allowance — Computation.

[N.H.] The commission rejected a computation of a utility's working capital allowance based on the 45-day rule and computed the amount by use of the balance sheet method. p. 123.

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

[N.H.] The commission accepted an approach which combined the comparable earnings and discounted cash-flow methods to determine a utility's cost of common equity. p. 124.

5. RETURN, § 35 — Economic conditions — Attrition.

[N.H.] The commission allowed a utility a 0.5 per cent attrition factor to forestall the effects of inflation and allow a utility to earn its cost of capital. p. 125.

6. RATES, § 322 — Block rates — Electric company.

[N.H.] The commission authorized a rate structure which placed heavier increases on trailing energy blocks than on leading blocks in order to place the burden on those contributing to the system peak and to discourage unneeded consumption. p. 126.

APPEARANCES: Philip H. R. Cahill and William G. Hayes for the petitioner; Steven Ruback and J. Michael Love for the Legislative Utility Consumers' Council; William Weismann for LISTEN.

BY THE COMMISSION:

Report

Granite State Electric Company (hereinafter "Granite State"), a New Hampshire public utility engaged in the retail distribution and sale of electricity in 23 communities in New Hampshire, on April 22, 1977, filed a request for an annual increase in rates in the amount of \$1,089,000 with a proposed effective date of May 23, 1977. By Order No. 12,731 dated May 2, 1977, the commission suspended the effective date of those proposed rates and began its investigation which spanned one year and included 12 procedural, evidentiary and informational hearings.

The procedural hearing was duly noticed and held on May 18, 1977, and was attended by the commission's staff ("staff") and those intervenors who have since participated in the investigation. They are the Legislative Utility Consumers' Council ("LUCC") and a citizens group, Lebanon in Service to Each Neighbor ("LISTEN"). The public hearings commenced on June 14 and 15, 1977, with evidentiary hearings being conducted each day, at the commission's hearing room in Concord, and informational hearings each evening in

Page 121

Salem on June 14th and in Lebanon on June 15th. At the evidentiary hearing on June 15th, counsel for LUCC suggested that certain of the disputed issues in connection with the company's proposed increase might be resolved through a conference procedure, and representatives of the company conferred for that purpose with counsel for LUCC and a member of the staff. After the conference, the parties reported to the commission that a settlement of such issues seemed possible and with the concurrence of the parties the commission adjourned the evidentiary portion of the hearings until further notice. No settlement, however, was reached.

On July 7, 1977, Granite State filed with the commission a petition pursuant to RSA 378:27 seeking the establishment of temporary rates for the duration of the proceeding. The commission held an evidentiary hearing on the petition for temporary rates on July 21, 1977, and following the hearing and the submission of memoranda in support of their positions by the company and LUCC, the commission, on August 11, 1977, issued its Order No. 12,872 authorizing the company to establish, under bond, temporary rates sufficient to produce a revenue increase on an

annual basis of \$750,000, an amount lower than that nearly reached in settlement.

Subsequent to the establishment of the temporary rates, further evidentiary hearings on the company's original petition were held on September 7, and November 22, 1977, and on January 17 and 24, February 14 and April 12, 1978.

Rate Base

Granite State submitted Exh S-1, p. 3 of 8 as its determination of rate base in this proceeding. The average rate base requested is \$15,216,000.

[1, 2] A. *Customer Deposits* — It has been customary practice in past rate cases to adjust for customer deposits and customer advances by deducting them from rate base and by including them in the capital structure at a zero cost. The reason for this was that if the utility had the free use of customers funds at no cost then that utility should not be entitled to earn a return on the funds advanced. This was accomplished by a deduction from rate base or the inclusion of the advanced funds as a zero cost component in the computation of the weighted cost of capital.

This commission's practice and rationale, therefore, is succinctly stated in the decision in docket DR 6097, Re New England Teleph. & Teleg. Co. (1972) 95 PUR3d 71. This commission stated therein that:

"Customer deposits should be excluded from the company's rate base because the company has the use of those funds and if they are not deducted, the depositors are being required to pay a rate on their own money. Re Newport Gas & Light Co. (RI 1970) 85 PUR3d 257, 259, 260.

"The sole purpose of developing a rate base is to determine the investment upon which the company is to earn a fair return. The rate base provides the basis for determining the return element to be included in the cost of service, that is, the payment which must be made to investors to compensate them for the company's continuing use of investor-supplied capital in the provision of telephone service, *but clearly the return must not include payment to the utility and its stockholders for the continuous use of cost-free capital supplied by other investors.*" Page 11. Emphasis Added.

Today, however, these customer deposits and customer advances are not

Page 122

cost free to the utility. The utility is now required to hold these funds and accumulate interest for customers. Thus, we make no deduction from rate base for the customer deposits and customer advances, nor do we include these elements at zero cost in the weighted cost of capital. These items are no longer cost free to the utility.

[3] B. *Working Capital* — Granite State claimed the inclusion of a working capital requirement of \$541,000 in the rate base. (See Exh S-1, p. 3 of 8). In calculating the amount of cash working capital Granite State utilized the so-called 45-day rule which is commonly used before this commission and was used in the last Granite State rate case in 1974. Commission expert Trawicki, a partner in the firm of Touche Ross & Co., disagreed with the Granite State calculation and proposed a working capital requirement based on the balance sheet approach which yielded a \$63,000 requirement. For reasons hereinafter stated we adopt the testimony of

Trawicki on this issue.

For the record working capital was well defined. Witness Trawicki stated that:

"Working capital is commonly defined as the amount of capital investors are required to put into a business over and above investment in plant. Thus, in addition to investment in fixed plant, additional investment needs might be required to be able to operate or 'work' their plant. Before any product or service can be sold, labor must be used, materials must be purchased, and product or service must be produced as well as delivered to the customer. Then, once the customer has received his product or service he usually has a period of time after receipt before he has to pay for his purchase. All of the above create a need for funds. Correspondingly, however, a company receives the work from labor and has a time period after receipt before it has to pay for it. There is an even longer interval between receipt of and payment for fuel and other materials. Taxes, including income, real estate, and gross receipts are also collected from customers oftentimes weeks or months before they have to be paid to governments. The net difference between (a) what a company must invest prior to receiving the money for the sale of its product and (b) what it can delay paying until after the receipt of goods and services is what, in my opinion, is meant by the term working capital." (Exh, commission No. 1, p. 40.)

All parties agree that a so-called lead-lag study would be the most precise method for determining capital but all parties also agree that this is a costly process. Mr. Trawicki described the balance sheet approach.

"The balance sheet approach requires an examination of the monthly balance sheets for twelve or thirteen months to remove any seasonal effects. Initially the asset side of the balance sheet is examined to determine all the investments made by a company. From the *total assets* of this company those items should be removed that are recognized elsewhere in the rate base (e.g., plant in service, accumulated depreciation, etc.) or that cannot be recognized for rate-making purposes (nonutility investment, etc.). The remaining balance represents other investments made by the company in its business (uses of working capital) that must be weighed against the sources of working capital generated by the company. To determine the sources of working capital available to the company, the other side of the balance sheet, the total liabilities and capital of the company are

Page 123

analyzed. From the total of liabilities and capital those items should be removed that (1) are already accounted for in the capital structure for purposes of computing rate of return; (2) are used as separate rate base deductions, and (3) cannot be recognized for rate-making purposes (e.g., certain investment tax credit balances, if appropriate). The remaining balance represents the net sources of working capital actually available to the particular company." (Exh, commission No. 1, p. 32 et seq.)

Granite State witness Rose testified that the balance sheet approach has shortcomings in that end of the month balances are not representative of similar balances during the month especially where a utility purchases all its power supply and pays its purchased power bill once a month, as does Granite State.

After a careful analysis of this issue the commission finds that there are advantages to the

balance sheet approach. This approach (1) uses actual data recorded monthly; (2) provides a true match between rate base (including working capital); and all sources of capital by considering all items in the balance sheet; and (3) has computational ease. (See Exh, commission No. 1).

The adjusted rate base, therefore, is \$14,738,000 computed as follows:

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

Granite State Average	
Rate Base Request	\$ 15,216,000
Trawicki Adjustment	\$ (541,000)
(balance sheet method)	+ 63,000
	<hr/>
	\$ 14,738,000

Cost of Capital

[4] Three witnesses testified concerning Granite State's cost of capital. They were the company's assistant treasurer, Donald E. Rose; Donald J. Trawicki, a partner in Touche Ross & Co., who appeared for the commission; and Dr. Dennis E. Logue of Dartmouth College who appeared for LUCG.

Each of the witnesses who presented evidence on cost of capital utilized the common shares of New England Electric System ("NEES") as a surrogate or proxy for the common stock of Granite State.

In addition, each of the three witnesses utilized the discounted cash-flow or DCF approach as an appropriate methodology for deriving the cost of common equity capital for New England Electric System, although each of the witnesses utilized other approaches as well.

The following table summarizes the approaches and calculations of the witnesses:

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

<i>Witness</i>	<i>Approach</i>	<i>Range for NEES Reference</i>
Donald Rose	DCF	12.70-14.05 Trans. 6/14 p. 68
Dennis Logue	DCF	11.6-12.5 LUCG No. 13 p. 15
Donald Trawicki	DCF	12.20-13.0 Comm. No. 1 p. 37
Donald Trawicki	Comparable Risk	12.0-12.5 Comm. No. 1 pp. 32, 33
Dennis Logue	CAPM	12.1 LUCG No. 13, p. 21

We find, on the basis of the recorded testimony, that the opinion of Logue as to Granite State cost of capital is not supported by the evidence. Logue suggested that the New England Electric System (NEES) the parent of Granite State could continue to raise equity capital at its cost of 12.3 per cent and invest in Granite State's common stock at a return of 10.8 per cent. We find this suggestion

unrealistic. And, we further find that Logue was mistaken about the existence of preferred stock in the capitalization of the parent company and ignored the fixed charges represented by the interest cost of long-term debt. Thus, his analysis and resultant opinion was based upon selective and incomplete work and cannot be recorded any probative value in this proceeding.

Every cost of capital witness testifies as to estimates and investor expectations. In this

proceeding we find that the judgement exercised by witness Trawicki is based on more recent data than the data utilized by Granite State witness Rose. Thus, we give greater weight and credibility to the testimony of witness Trawicki on cost of common equity capital.

Mr. Trawicki used two methods to arrive at a recommended range for the cost of common equity. The comparable risk approach yielded a result of 12.5 per cent. The discounted cash-flow approach (DCF) yielded 13 per cent. The DCF method included a 3.8 per cent future growth factor, an 8.4 per cent dividend yield factor, and a 0.8 per cent factor for the cost of financing and for market pressure. We find the Trawicki testimony to be based upon the soundest, most reliable evidence and accept 13 per cent as the cost of common equity. Thus, the weighted cost of capital is:

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

	<i>Per Cent Of Total</i>	<i>Cost</i>	<i>Weighted Average Cost</i>
Common stock of Granite State:			
NEES Common Stock	24.67	13.0 %	3.2 %
NEES Retained	12.23	12.75	1.56
NEES long-term debt	2.09	8.625	0.18
NEES short-term debt	1.90	8.39	0.16
Retained Earnings	4.96	12.75	0.63
Long-term debt	54.15	9.5	5.14
<hr/>			
Total capital	100.00		10.87%

Attrition

[5] Granite State offered supplemental testimony to demonstrate that attrition, or erosion of earnings, was continuing to have a seriously adverse effect on its financial condition, so that the requested increases of \$1,089,000 (filed April 22, 1977) was even more urgently needed than when it was originally filed.

This commission has stated in numerous previous decisions that a proper and adequate allowance for attrition must be provided if a utility is to earn its cost of capital. Attrition is now an economic fact of life, caused by inflation and resulting in the interaction of revenues, expenses, and rate base to reduce a utility's net operating income and consequently its rate of return. Consequently, the commission allows here 0.5 per cent attrition factor to forestall the effects of inflation and allow Granite State an opportunity to earn its cost of capital.

Overall Fair Rate of Return

The weighted cost of capital of 10.87 per cent plus the 0.5 per cent attrition factor yield an overall fair rate of return of 11.37 per cent which can be applied to the allowed rate base to determine the revenue requirements of Granite State.

Test-year Expenses

Granite State witness Saturley (Exh S-1, p. 2 of 8) submitted test-year expenses exclusive of state and federal income taxes of \$13,731,000. These are adjusted for wage increases,

promotional allowances, purchased power normalization, FICA, and municipal taxes which increased test-year expenses to \$13,-993,000 exclusive of income taxes. We accept these figures and adjustments, notwithstanding LUCC requests for adjustments to decrease this figure. We find no competent or convincing evidence in the record to disallow any actual company expenses.

Revenue Requirements

We first compute the revenue deficiency based on the foregoing determination of rate base, rate of return, and allowable operating expenses.

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

Federal Income Taxes	751,579
N.H. Franchise Taxes	+ 79,623
Total Revenue Required	<u>\$16,449,912</u>
Total Adjusted Operating Rev. as per Exh S-1, p. 1 of 8	\$15,586,000
Revenue Deficiency	<u>\$ 913,912</u>

Federal income taxes are computed according to the methodology presented in Exh S-1, p. 5 of 8. Since the required return on rate base which we have accepted (\$1,675,710) is \$89,290, less than the Granite State request (\$1,765,000) the difference of \$89,290 is divided by 0.52 to determine the change in taxable income or \$171,711. This result is multiplied by the incremental tax rate of 0.48 which yields \$82,421. This figure of \$82,421 is then subtracted from the Granite State submitted net federal income tax of \$834,000 to yield \$751,579.

The New Hampshire franchise tax is computed similarly by reducing the Granite State submitted figure of \$974,000. (Exh, S-1) by \$89,290. This yields \$884,710 which is multiplied by the applicable rate of 9 per cent to yield the tax of \$79,623.

Although this method is different from the method usually utilized by the commission, the staff has verified that our customary methodology reaches approximately the same result. The method above is employed to be consistent with figures and computations appearing in exhibits in this case.

We find that Granite State is entitled to increased rates in an amount approximately \$913,912 on an annual basis.

Rate Structure

[6] Company witness McDade testified that proposed rates for many classes placed heavier increases on trailing energy blocks than on leading blocks. The commission concurs with this rationale of placing the burden on those contributing to the system peak as well as discouraging unneeded consumption.

Although intervenor LISTEN alleges the G-2 rate is discriminatory, the commission feels this conclusion is not supported by the evidence presented. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Second Revised Pages 17, 19, 23, 24, 25, 26, 35, 37, and 38 of NHPUC No. 8

— Electricity, Granite State Electric Company, be, and hereby are, rejected; and it is

Further ordered, that Third Revised Pages 17, 19, 23, 24, 25, 26, 35, 37, and 38 of said NHPUC No. 8 — Electricity

Page 126

be filed to reflect an overall increase in annual revenues of \$913,912 for all current billings rendered on or after the date of this order; and it is

Further ordered, that Granite State file as part of its new tariff, a plan to recoup by surcharge the difference in revenues authorized as temporary rates and the revenues herein authorized, said plan to be devised in accordance with RSA 378:29 and recouped during the calendar year 1978 on some equitable monthly basis; and it is

Further ordered, that Granite State Electric Company give public notice of these changes reflected by the newly revised tariff pages through one-time publication in newspapers having general circulation in the territories served.

By order of the Public Utilities Commission of New Hampshire this twenty-third day of May, 1978.

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NH.PUC*05/25/78*[78070]*63 NH PUC 127*Public Service Company of New Hampshire

[Go to End of 78070]

Re Public Service Company of New Hampshire

DR 77-49, 11th Supplemental Order No. 13,162

63 NH PUC 127

New Hampshire Public Utilities Commission

May 25, 1978

PETITION for a rate increase; granted as modified.

1. RATES, § 2 — Rate making — Prospective nature.

[N.H.] Tariffs are designed to meet estimated future revenue requirements and, therefore, rate making is necessarily prospective in nature. p. 132.

2. RATES, § 120.1 — Test year — Purpose.

[N.H.] The test-year method, adjusted for any known and certain extraordinary changes to normalize the period, is the most practical way to estimate future revenue requirements. p. 132.

3. EXPENSES, § 46 — Charitable contributions — Allowance.

[N.H.] The commission found charitable contributions to be a permissible expense, so long

as they were reasonable and the amount was "minute and unsubstantial," reasonable, and would not affect consumer rates, noting that it had a long-standing policy of permitting such expenditures. p. 133.

4. EXPENSES, § 26 — Advertising expenses — Standard.

[N.H.] The standard for the allowance of advertising expenses is whether they are fair and reasonable under all the circumstances. p. 133.

5. EXPENSES, § 26 — Advertising expenses — Promotional advertising.

[N.H.] Advertising relating to a utility's anniversary and to nuclear power was found not to be prohibited promotional advertising and was permitted by the commission as fair and reasonably related to the provision of adequate and reliable electric service. p. 133.

6. EXPENSES, § 119.1 — Dues — Research and development expense.

[N.H.] The commission found service payments to associations to be a valid research and development expense directly related to the rendering of safe and reliable electric service. p. 134.

7. DEFINITIONS — Construction work in progress.

[N.H.] The term "construction work in progress" refers to the accounting procedure used in public utility accounting to properly record in the financial records of a utility the costs of

Page 127

constructing the plant necessary to supply the utility service required by its ratepayers. p. 136.

8. RETURN, § 31 — Construction work in progress — Effect on return.

[N.H.] Where construction work in progress is a high percentage of capitalization and growing, there is no way that a normal rate of return on plant in service can generate sufficient internal funds to pay interest and provide the basis to raise additional capital for a new plant. p. 142.

9. RETURN, § 20 — Amount of return — Methods.

[N.H.] The commission examined several methods of granting relief that would permit a utility to generate necessary cash and concluded that adding an amount for construction work in progress to the rate base was the best option. p. 147.

10. VALUATION, § 224 — Construction work in progress — Inclusion in rate base.

[N.H.] The commission concluded that the inclusion of construction work in progress in the rate base in any particular proceeding was a matter within its discretion. p. 147.

11. RETURN, § 26.2 — Capital structure — Long-term debt.

[N.H.] The commission included an issue of mortgage bonds in a utility's capital structure even though the sale had been postponed, since it found that when the uncertainty surrounding the utility's financing created by a rate case was resolved, the financing could be carried out, and the debt would become part of the capital structure. p. 151.

12. DEFINITIONS — Cost of common equity.

[N.H.] The cost of common equity is that percentage rate of return on the book value of the utility's common stock equity which the company must have the prospect of earning in order to attract equity capital in competition with other investment opportunities open to investors. p. 152.

13. RETURN, § 35 — Attrition allowance — Amount.

[N.H.] The commission allowed an electric utility an attrition allowance of 0.20 per cent where it found that inclusion of construction work in progress in the rate base obviated the need for a larger amount. p. 158.

VALUATION, § 17 — Methods of valuation — Formula.

[N.H.] Discussion of the formula employed by the commission in determining a utility's rate base. p. 135.

VALUATION, § 224 — Construction work in progress — Rate base treatment.

[N.H.] Extended discussion of the methods by which a utility may be compensated for expenditures made relating to construction work in progress. p. 136.

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

[N.H.] Discussion of methodologies used to determine a utility's cost of equity capital. p. 153.

APPEARANCES: Martin Gross, Franklin Hollis, and Eaton W. Tarbell, all of the law firm of Sulloway, Hollis, Godfrey and Soden, and Philip Ayers, of Public Service Company of New Hampshire for the petitioner; Robert T. Clark, of the law firm of Cleveland, Waters and Bass for the public utilities commission; Steven W. Ruback, J. Michael Love, and Nicholas J. Scobbo, Jr., financial analyst for the Legislative Utility Consumers' Council; Emmanuel Krasner, initially, but who withdrew later, and then by the Legislative Utility Consumers' Council as lead counsel for Granite State Alliance, Rochester Area Concerned Citizens, Stockholders for Corporate Responsibility, Cheshire County Citizens Against Nuclear Power, Monadnock Alternate Energy Coalition and Portsmouth Concerned Citizens.

BY THE COMMISSION:

Report

Background

These proceedings were initiated on April 27, 1977, 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 in the state of New Hampshire, filed with this commission, a complete revisions of its tariff, NHPUC

No. 20 — Electricity. This proposed tariff change, new tariff, NHPUC No. 21 — Electricity, provided for the implementation of a 17.1 per cent composite increase to the present rates, and was designed to generate an annual gross revenue increase of \$27,017,520. In this initial filing, the company requested that the rates become effective on June 1, 1977. The company also simultaneously filed Supplement No. 1 to this new tariff to cover the residential portion of the peak-load pricing experiment to become effective on June 1, 1977.

Pursuant to the authority vested in this commission by RSA 378:6, on May 2, 1977, by Order No. 12,732, we suspended the proposed rate increase pending an investigation and public hearings on the question of the reasonableness of the proposed rates and charges, as authorized by the provisions of RSA 378:5.

The commission also issued an order of notice dated May 2, 1977, providing for a hearing to be held at the office of the commission on June 1, 1977, for the specific and limited purpose of determining the procedure to be followed during the hearing on the merits. The issues relevant for discussion at the procedural hearing included appearances, date, and time for commencement of the full hearing, place of the hearing, dates for all parties to file testimony and exhibits, the number and order of witnesses, time for discovery, the manner and method of data requests and responses, stipulations of the parties, schedule for pre and or post memoranda, representation of the parties in interest, and any other pertinent procedural matter designed to contribute to the expeditious resolution of this proceeding. At the procedural hearing counsel for the company as well as counsel for the Legislative Utility Consumers' Council (hereinafter sometimes referred to as "LUCC"), as well as other interested groups had a full opportunity to address the issues which were scheduled for discussion. Subsequent to that hearing, the commission on June 17, 1977, issued its procedural order, Order No. 12,803.

The procedural report and order discussed at length the interventions which would be allowed in this rate proceeding. The rate case proceeded with four major parties in interest; counsel for the Public Service Company, the public utilities commission staff, the LUCC, and lead counsel for several other intervenors who chose not to be represented by the LUCC. At a subsequent time these other intervenors, who for a time had hired Emmanuel Krasner to represent them requested Mr. Krasner to withdraw as their lead counsel in this case. Also, subsequently the commission retained Warren E. Waters of Concord to act as special counsel to the commission. Therefore, the permitted parties for the purpose of this case were: Public Service Company by its counsel, LUCC by its counsel, and the public utilities commission staff and its special counsel. The procedural order further established June 30, 1977, as the date for filing of the company's prepared testimony and exhibits. It also required the staff and intervenors to prefile any testimony they chose to present on or before September 15, 1977. The company was required to file any responses or rebuttal on or before October 3, 1977.

After the June 1, 1977, procedural hearing and the resulting procedural

Page 129

report and order, the commission, on September 16, 1977, issued another order of notice providing for hearings on the merits to be held October 11, 12, 13, 18, 25, 26, and 27, 1977. Hearings on the merits commenced in the legislative office building on North State Street in

Concord, New Hampshire, which contained quarters large enough to accommodate an expected large turnout from the public. As the hearings progressed and it became apparent that there was no further need for the larger room, the commission adjourned to its own quarters for the balance of the hearings. In total, the commission held twenty-two full days of hearings on the merits and, in addition, held eight evening informational hearings at various locations throughout the state for the purpose of receiving public testimony and input on matters involving the rate increase request. Those hearings were held in Concord (October 3); Nashua (October 4); Manchester (October 5); Portsmouth (October 31); Berlin (November 2); Keene (November 3); Laconia (November 7); and Rochester (November 9).

The prefiled testimony of the company was filed on June 30, 1977, in a timely fashion. However, because of the various requests of the parties throughout these proceedings, the other time limits were not adhered to but were extended for good cause shown. Although the procedural order did not set any time limit on discovery or data requests, the commission, at a later date, terminated the filing of any further data requests, responses, and discovery.

This proceeding was marked by the most extensive volume of data requests ever experienced in any proceeding before this commission. In addition, the LUCC cross-examined most of the company's witnesses at length. As a result of this, the commission was unable to render a decision within the statutory six-month period. Since the hearings could not be concluded in that period of time because of the voluminous data requests and the extensive cross-examination of the LUCC, the company, pursuant to the provisions of RSA 378:6, placed their rates into effect under bond.

On the first day of the hearings, October 11, 1977, counsel for the company, in his opening statement, asserted that the company had invoked the commission's statutory jurisdiction under RSA 378:7 to determine what the company's just and reasonable rates should be for New Hampshire retail customers. He defined just and reasonable rates as rates which are the lowest rates consistent with allowing the company to supply New Hampshire's electric needs present and projected on a reliable basis.

Counsel for the company then set forth five major areas of inquiry in this proceeding as follows:

1. Determining the company's operating costs in generating and supplying electricity by using a 12-month test period. The test period used by the company was the 12-month period ending April 30, 1977.
2. Determining the company's rate base, which is the net value of the company's property necessary to supply customers' electricity needs on a reliable basis.
3. Determining what the company's fair rate of return should be, that is, the cost of attracting and retaining the investment capital which is expressed as a rate applied to the rate base which will permit the company to keep its plant up to date and to finance necessary new construction.
4. Determining the amount of revenue

increase necessary to cover the company's cost of generating and supplying electricity and its

cost of attracting capital.

5. Determining the share of the revenue increase which is fairly allocable to New Hampshire retail customers and determining a rate structure that would properly generate the additional revenue from the several classes of New Hampshire retail customers on a just and reasonable basis.

In summary, these five main issues were the determination of the company's:

1. Allowable operating costs.
2. Rate base.
3. Fair rate of return.
4. Amount of revenue increase necessary.

5. Allocation of revenue increase to New Hampshire retail customers and a rate structure to properly generate the additional revenue from these customers.

The company asked the commission to approve rate increase necessary to generate approximately \$32 million in increased revenue and pointed out that the company's last rate increase granted by the commission was on December 31, 1974. The company's allowed rate of return in that case of 9.68 per cent was never earned and was only 8.10 per cent at the end of the test year.

Counsel for the company then stated that a major purpose of the rate increase request was to permit the company to meet the future electrical needs of New Hampshire, to meet the company's obligation to assure continued and reliable sources of electricity into the 1980's. It was pointed out that New Hampshire's demands for electricity was growing and would continue to grow, despite everyone's best efforts to conserve. Load growth was estimated at an average of 7.3 per cent per year.

In order to meet this anticipated growth, it was suggested that the company had to take steps to meet its increased responsibility through a major construction program as the only way to have sufficient new generating capacity to meet the increased demands for electricity.

Counsel pointed out that the need for new capacity and the company's construction program made this rate case critical, and required the commission to set rates that would assure the people of New Hampshire a sufficient supply of electricity.

Counsel indicated that the evidence would show that the company must increase its capacity to 2,085 megawatts by the 1982-83 power year, and if it did not, New Hampshire would be short 526 megawatts by then, and 977 megawatts by 1984-85. If that happened, counsel cautioned that the company would be unable to meet its peak loads in 1982 causing electricity rationing with blackouts and a devastating effect on the New Hampshire economy.

In order to properly finance the necessary construction program, counsel summed up the company's needs by stating two courses to be followed; first, including construction work in progress in the rate base and, second, allowing a rate of return on common equity that would permit the company to sell new stock at a market price high enough above book value to avoid dilution of existing stockholders' interests.

Counsel contended that including the value of construction work in progress in the rate base would be the cheapest method in that, over time, the customer would pay less, even recognizing the time value of money.

Counsel concluded by stating that

Page 131

without revenue no construction was possible, and without construction the electricity demands of New Hampshire in 1982 would not be met. The evidence, he suggested, would show that the company had proposed the simplest, most direct, and cheapest lawful method available to raise the necessary revenue.

Revenue Increase requested

The initial tariff filing on April 27, 1977, requested an annual increase in revenues of \$27,017,520 representing a 17.1 per cent increase in the company's total annual revenues. This amount was based on a calendar test year ending December 30, 1976. On June 30, 1977, the company prefiled testimony and exhibits updating its test year to the twelve months ended April 30, 1977.

Based on the April 30, 1977, test year, the company requested a total annual revenue increase of \$31,997,602, representing a 20.476 per cent increase in total annual revenues. (Exh P-6-C, p. 1 of 2.)

In order to produce the \$31,997,602 of revenue, the company requested a return of 15 per cent on common equity and an overall rate of return of 10.45 per cent, which includes a 0.2 per cent attrition allowance. In contrast, in its last rate case, docket DR 6081, Order No.11,684 dated December 31, 1974, the company was allowed a 14 per cent return on common equity, a 9.68 per cent overall rate of return and an 0.2 per cent attrition allowance.

Rate-making Process

Test-year Approach

The test-year approach is used in determining revenue requirements and utility rates.

[1] Tariffs are designed to meet estimated future revenue requirements and, therefore, rate making is necessarily prospective in nature.

[2] The most practical way to estimate future revenue requirements is to select a recent past period and take the actual cost of this period, adjust it for any known changes which are extraordinary in nature, namely, those which will significantly affect the assumed year-to-year balance between expenses, revenues, and plant, and then accept the resulting cost of service as representing the test-year revenue requirements.

The purpose of a test year is to provide a reasonable basis for estimating the future operating expenses and return requirements, as a guide in determining future revenue requirements and utility rates.

The test-year investment, revenues, and expenses properly developed, provide a basis for determining the total cost of rendering the utility service, the revenue requirement. Tariffs are

then designed to produce these total revenue requirements.

Although a recently past year serves as a guide for establishing rates for the future, if there are known and certain changes which will occur, adjustments should be made in order to modify test-year earnings. This procedure will normalize test-period earnings and will result in the setting of more reasonable rates for the future period.

Although the company's initial tariff filing on April 27, 1977, was based on a calendar test year ending December 30, 1976, the company subsequently proposed and used the test period of the twelve months ending April 30, 1977.

The company chose not to make any pro forma adjustments to the test year because it felt that there were no significant known changes.

Page 132

On the last day of hearings, the company introduced into evidence the most recent actual operating data of record (Exh P-17) for the commission's information but not for the purpose of introducing a new test year into the proceedings. (Transcript, Vol 22, pp. 27, 28.)

Accordingly, we find the test year ending April 30, 1977, is a reasonable standard for the determination of the level of rates and charges in this proceeding.

Operating Expenses

The company set forth its revenues and expenses in its operating income statement for the test year ending April 30, 1977, as Exh P-3-C.

The actual expenses of the company are usually accepted as being prima facie reasonable. In this proceeding, although the LUCG has challenged certain aspects of revenue and expenses, it did so by cross-examining the company witnesses but presented no witnesses and offered no evidence of its own on these matters.

[3] Legislative Utility Consumers' Council urges the commission to disallow \$49,670 in test-year expenses of donations to organizations. Legislative Utility Consumers' Council, while recognizing that such donations to organizations are admirable and praiseworthy, requests the commission to disallow them on the basis that they amount to involuntary contributions by customers through the company. Legislative Utility Consumers' Council cites cases from four jurisdictions in support of this contention. This commission has long recognized the civic obligations of a utility company and in the past has allowed charitable contributions as laudable, commendable, and necessary as long as they are reasonable. This has been our consistent treatment for years. As the New York Public Service Commission stated: "the advantages of continued recognition of utility charitable contributions outweighs the miniscule burden it imposes on ratepayers." Re Rochester Gas & E. Corp. (NY 1976) 14 PUR4th 475,486. This commission observes that charitable contributions are often expected by the community in which the company is located. The community made up of the people who live therein is benefited and the people are benefited both directly and indirectly. Thus, we will continue to allow any reasonable charitable contribution. Forty-nine thousand six hundred and seventy dollars on a rate base of over \$350 million is minute and unsubstantial. This expenditure is reasonable, does not affect customer rates, and will be allowed.

[4] It is also the position of LUCC that advertising expenses should be eliminated from the cost of service since they are not necessary for the rendering of safe, reliable electric service. The standard in this state for the allowance of advertising expenses has been whether they are fair and reasonable under all of the circumstances and we have never adopted a standard such as is suggested based upon citations from Montana, California, and Florida and New York.

[5] This commission has not allowed promotional advertising by a utility for several years. Legislative Utility Consumers' Council suggests that advertising expenses regarding a 50th anniversary of the company and for nuclear education attempts to influence public opinion and enhance the corporate image and, therefore, should be disallowed. There may well be some influence

Page 133

that this has on the public and there may, indeed, be a positive enhancement of the company's corporate image as a result of such expenditures. There are, however, other sound and reasonable grounds upon which those expenditures can be made again as long as they are fair and reasonable in amount. No one likes a silent partner and the public serviced by Public Service Company needs to know how their company is doing, what their company is doing, and when they are doing it. The failure of a company to communicate with its customers as we are aware generates generous criticism of the company's public relations and their failure to communicate positively, properly, and sufficiently. There is no way to precisely determine the exact effect of such advertising and we will not place ourselves in a position of judging precisely what such advertising does have as an effect. What we are concerned with is whether or not the expenses of the company are fair and reasonable and are reasonably related to its purpose in assuring that customers have adequate and reliable electric service. Thus, the \$166,174 that the LUCC urges us to exclude will not be excluded. Again, as compared to a rate base of over \$350 million this is an extremely reasonable amount, one that has an extremely minute effect.

[6] Legislative Utility Consumers' Council next proceeds to request the exclusion of service payments to associations, \$377,364 to the Electric Power Research Institute and \$70,965 to the Liquid Metal Fast Breeder Reactor Research, because these are in the nature of research and development. The expenses paid to these research and development organizations certainly is directly related and tied to the rendering of safe, reliable electric service and an adequate future supply of said service. Such expenses so directly tied to the purpose for which the utility exists are unquestionably necessary and if reasonable in amount should be allowed. We find these two amounts to be very reasonable in relation to the services received and to the rate base of over \$350 million. Therefore, these expenses will be allowed.

Legislative Utility Consumers' Council has also stated that the commission is precluded from the consideration of certain expense and investment items because of the lack of sufficient data on certain items. Legislative Utility Consumers' Council states that "the commission does not have before it how much the company has invested in steam plant, hydro plant, other production, transmission plant, distribution plant or general plant for the test year." This is a clearly erroneous statement for the company provides this information to the commission monthly as p. 6-E of its monthly report. This information was also furnished in answer to staff data request No.

3 for monthly internal reports for the test year. This response to staff data request did not become marked as a formal exhibit in this case but the information is supplied monthly to the commission and is a part of its regularly filed records of which it takes notice.

Legislative Utility Consumers' Council further states that "the commission has no idea of the company's sales for resale Account 447 for the test year." Again this statement is clearly erroneous since the sales for resale data is available on pp. 31, 32, and 33 of responses to staff data request No. 3 (monthly internal reports) and it is also available from the company's monthly income statement and energy report which is filed on a monthly basis.

Page 134

Legislative Utility Consumers' Council further states that "the commission does not know how much production fuel and oil stock the company had on hand for the test year." As above this is clearly erroneous as the commission does know of and have this data which was submitted in this rate case. It is contained (also as above) in the monthly internal reports as p. 6-B and also in response to staff data request No. 3. Notwithstanding witness Littlefield's responses (Transcript, Vol 12, pp. 31-33) that such information was not furnished in response to LUCC data requests, the commission does, indeed, have all the data above on a regularly filed basis as well as in the responses to its staff's data requests.

Legislative Utility Consumers' Council also challenges the 1976 maintenance expense increase over 1975. There is no basis in the record to disallow this expense. We find that they are reasonable and they will be allowed.

It is our basic standard and our basic applicable law that testimony and exhibits reliably based on established records of the company are accepted as prima facie proof for rate case purposes unless there is some conflicting claim or evidence calling the legitimacy of such expenses or their amount into question.

Legislative Utility Consumers' Council cross-examination of witness Littlefield consisted of a lengthy recitation and verification of actual figures appearing in submitted documents. This cross-examination of expenses which were actually incurred did not produce any competent evidence upon which the commission could determine that those expenses should be disallowed. None of the cross-examination referred to called into serious question the manner in which the expense was made or the amount in which it was made. Within reasonable parameters, all of the expenses of the company are allowed because this past actual test year gives the commission the necessary guides for setting reasonable future rates.

Rate Base

The traditional formula used by the commission for determining rate base involves a determination of the total electric plant in service, adds in plant held for future use, and deducts several items including a reserve for depreciation, customer deposits, construction work in progress, contributions in aid of construction, and accumulated deferred income taxes. This produces a net investment in plant to which is added working capital to arrive at a total rate base. Working capital typically includes materials and supplies, any prepayments to the company, research and development expenditures, and an expense allowance. Applying this formula to the company's submission we compute a traditional rate base of \$369,028,931. (Exh P-3-B, p. 1 of 6,

line 19.)

The other and most important element of the rate base which the company requests in this proceeding is of construction work in progress (CWIP, as it is frequently called) in the amount of \$111,258,428. (Exh P-3-D, p. 2 of 2.)

Mr. Littlefield, comptroller of the company, testified that if this \$111,258,428 is included in the rate base, it becomes necessary to increase the amount of the accumulated deferred taxes deducted from the rate base by an additional \$1,453,938. This then reduces the \$111,258,428 to \$109,804,490 which when added to the rate base of \$369,029,931 equals the rate base of \$478,833,421 which the company is requesting. (Exh P-3, p. 5.)

Page 135

The company, therefore, requests a departure from conventional rate-making practice under which financing costs of a construction project are capitalized and are reflected currently as income and are recovered from customers through depreciation of the plant only after it goes into service. The question of the allowance of CWIP in the rate base is considered next.

Construction Work in Progress (CWIP)

[7] The term "construction work in progress " refers to the accounting procedure used in public utility accounting to properly record in the financial records of a utility the costs of constructing the plant necessary to supply the utility service required by its ratepayers.

At the outset, it should be noted that the cost of constructing the plant necessary to supply the utility service required by its ratepayers is always charged to the ratepayers. The question being raised and involved in the issue of construction work in progress is when should the ratepayer pay those costs of construction, during the period of construction or after the plant under construction is completed and in service with the costs then being amortized over a useful life of that plant.

It may be helpful to review some of the circumstances surrounding this situation. A utility company during the period of construction faces the problem of raising capital to finance new projects. This is accomplished usually by raising money through the issuance of debt, that is, borrowing money and securing it by bonds or having it unsecured, by selling equity securities, that is common and preferred stock to investors, and also by using internally generated cash. As a utility uses these funds, there are costs incurred. Interest must be paid on the money borrowed as debt, dividends have to be paid to preferred stockholders, and common stock holders expect a return on their contributions by purchasing these stocks, regardless of whether that contribution is represented by earnings reinvested in the business or by the purchase of new stock. In financial circles these requirements are, simply stated, the costs of money.

During the course of a period of construction, a utility company does not usually receive enough current revenues from its customers to meet these costs of money, and this is especially true when the construction concerned is of an unusual magnitude. Consequently, the utility company involved not only has to finance the direct material and labor costs of the construction program, but it must also finance, that is raise the money necessary, namely the cost of money related to that program. As a result, therefore, the company is required to borrow still more

money in order to pay the interest.

Under these circumstances, a utility company involved in a heavy construction program becomes involved in a continuous cycle of borrowing which lasts until the plant being constructed is placed in service and finally starts producing revenues to meet the costs of money involved. If a plant under construction takes ten years to construct, the costs of financing that construction are considerable. This is the type of a situation which aggravates a utility company's financing problems and the aggravation is enlarged by the utility's continual involvement in significant long-term construction programs.

The traditional method of accounting which records the costs of construction in the financing records of a utility comes

Page 136

about through the claim for what is called an allowance for funds used during construction (AFUDC), which is, at the same time, reported in the income statement of the company and also is added to the cost of plant being constructed on the balance sheet of the company.

From a practical point of view this means then that, on the income statement of the utility company concerned, there is an entry in the income part captioned "allowance for funds used during construction", which equals an expense amount for the costs of that construction during the period of time which the income statement covered. One balances the other. The entry of this income offsets the expense item of the costs involved and has no effect upon the net figure at the bottom of the income statement. However, since the allowance for funds used during construction does not represent cash actually received by the utility company, it is not truly income in the sense that term is ordinarily used.

Under this method of accounting then, the cost of construction included in the balance sheet of the company is added up over a period of time and when the plant is finally placed in service the total amount in that account is then written off over the useful life of the plant.

Since this method of accounting does not produce a true cash flow of the amount being recorded in the income statement, and cash is needed to cover the costs of construction including the interest on money borrowed and the payments to cover the dividends required, another method can be used to provide a cash flow to cover the current costs of construction. That method is the procedure whereby the construction work in progress amount, either in whole or part, is included in the current rate base of the company thereby allowing the company an opportunity to earn an actual return on that investment, even though the plant the investment is being used to construct is not in useful service.

Thus, some regulatory commissions allow construction work in progress in the rate base and allow revenues to be high enough for the utility to recover the cost of financing construction work on a current basis. In this way the ratepayer pays for the current costs of construction work in progress as these costs are incurred and unlike the other method these costs are not deferred until the plant actually becomes used in service.

The advantages of allowing construction work in progress to be included in the rate base include the following:

1. Reported earnings are "cash" earnings and do not fluctuate as a result of the changing levels of construction. They are, therefore, more stable and of better quality. Furthermore, security analysts look skeptically at AFUDC earnings and may in fact adjust reported earnings of a public utility for this item to the detriment of the market evaluation of the stock.

2. Recovery of costs is not deferred into the future at which time economic or political pressures could make the burden heavier than it is today.

3. The lower utility plant investment results in lower property taxes and lower depreciation expense. As a result lower revenues are required from its customers over the life of the property.

4. Financing requirements are reduced as some additional financing may be required to supply the funds to pay current interest on debt and dividends on equity which have been capitalized under the AFUDC approach.

Under the usual rate-making practice followed by this commission, financing costs of a utility's construction program

Page 137

are capitalized using the AFUDC method and are reflected currently as income on the income statement, and then are recovered from ratepayers through depreciation of the plant after it goes into service. The company's position in this proceeding is that it will not be able to obtain the necessary financing to complete its construction program without additional current cash revenue. It is contended by the company that only an appropriate amount of CWIP in the rate base would generate the needed financing, and not by the use of the usual rate-making practice.

The company in all of its filed exhibits and in its testimony in this case proposed to include in rate base an amount of \$111,258,428 of CWIP which represents the accumulated costs at April 30, 1977, of four major projects, Seabrook No. 1 and No. 2, Wyman No. 4, Millstone No. 3, and Pilgrim No. 2.

Construction work in progress or as it sometimes is known, unfinished construction, is merely a designated bookkeeping account into which all charges for construction of projects are gathered prior to the completion of the projects. Upon completion and analysis, the costs are distributed to the various plant accounts which make up one of the primary elements of the rate base on which customer rates are based.

As indicated above, money used for construction is obtained by borrowing or using internally generated company funds the bulk of which come from depreciation accruals and retained earnings. In either case, the provider of such funds is entitled to interest for the use of his funds, and in the proper scheme of business such interest expense is a legitimate charge to be paid by the ratepayer at some time. In other words, it is not a question of whether the ratepayer should be charged with the interest costs but when.

The company in its brief argues that it should now be allowed to insert in its rate base an amount of CWIP which bears a rational relationship to the reasons why CWIP should be allowed at all, that is, to produce additional cash earnings which would enable the company to attract necessary outside capital while minimizing the long-run cost to the company's customers.

The company contends that the amount of CWIP that should be allowed in rate base should be \$149.7 million in the companywide rate base as of June 1, 1978, to carry it through December 31, 1979. In support of this the company brief indicates that the amount on the company's books for major generation CWIP increased 67 per cent over the test-year-end figure of \$111,258,428. They projected that by the end of calendar year 1978 the major generation of CWIP would approximate \$323,340,000. The company alleges that this amount of CWIP in rate base is necessary to produce minimum coverage ratios and minimum internal generation of funds necessary to attract outside capital on a reliable basis while at the same time avoiding undue accumulation of AFUDC (allowance for funds used during construction) which would cut into long-run savings to the ratepayer. The company further proposed to discontinue accruing AFUDC on the portion included in the rate base when the rates are put into effect.

As previously stated, under the traditional and current AFUDC method of accounting, the dollars to pay all current financing costs (that is, interest on borrowings) do not come from current revenues. Instead the utility, at times, must go back out into capital markets to

Page 138

acquire the additional dollars necessary to pay financing costs on a current basis and adds that amount to the total capitalization of the project for which those funds were dedicated. The cost of financing construction (AFUDC) is added to the CWIP account and ultimately becomes part of the plant in service, along with other construction costs, when the construction is completed. The cost of the total plant, including the financing cost during the period of construction, is then depreciated over the actual useful life of that plant. In this manner the cost of financing construction becomes cost of service and is recovered through rates over the period the plant is providing service to the customers.

The company sets forth several reasons for including CWIP in the rate base, all of which are based on the basic premise that without CWIP it will not be able to continue to finance its current large construction program. The company argues that the usual way of financing construction costs (AFUDC) is now outdated and is no longer appropriate due to the fact that the parameters in the financing formula have changed. Legislative Utility Consumers' Council argues that AFUDC is based on sound accounting theory. Commission witness Mr. Trawicki agrees that the AFUDC accounting method has a solid theoretical foundation. Both LUCC and Mr. Trawicki refer to the concept of matching expenses with revenues. Costs such as AFUDC costs should be reasonably associated with the revenue derived from the finished plant for which AFUDC costs were expended. They should, therefore, be expensed during the period of revenue recognition and the LUCC argues that there is no direct or indirect association with the revenue of the current period.

Legislative Utility Consumers' Council stops its argument there and urges the commission to disregard the company assertion that the parameters have changed. However, we find support for the fact that the company's parameters have changed in the testimony of commission witness Mr. Trawicki who said that beginning in 1973, conditions have changed dramatically in the electric utility industry. One significant area of change has been fuel costs and in another area high rates of inflation. These events increased the investment required relative to the size of existing plant

and severely strain the ability of many utilities to raise the capital required for construction to assure an adequate supply of electricity. Industry conditions of depressed earnings reduced internal generation of funds and continued high capital requirements have lead some regulatory bodies to include CWIP in the rate base for rate-making purposes. It is the opinion of expert witness Trawicki that there are circumstances under which a regulatory body such as the New Hampshire Public Utilities Commission in exercising its responsibility to assure the adequacy and the availability of a utility's services to meet customers' requirements in the future, might appropriately choose to include CWIP in rate base for rate-making purposes.

The LUCC assertion that the set of parameters for making investment decisions and the set of factual parameters governing those investment decisions have not changed is not supported by any fact in the record that we can find nor is it supported by actual historical data on file in records at this commission.

The company's annual reports for the years 1958-60 indicate that the Mer-

Page 139

rimack I coal-fired generating unit was constructed and completed at a total cost of \$22,260,517, with a cost per kilowatt of installed capacity of \$196. The annual reports for the years 1966-68 indicated that the Merrimack II coal-fired generating unit was constructed and completed at a total cost of \$34,585,212, with a cost per kilowatt of installed capacity of \$100. The annual reports for the years 1970-74 reflect the fact that the Newington oil-fired generating unit was constructed and completed at a total cost of \$80,949,772 with a cost per kilowatt of installed capacity of \$196. These three construction programs were the major ones for the Public Service Company over the last two decades and it is interesting to note the percentage of CWIP in relation to the size of these projects and during construction.

The 1977 Public Service Company annual report broadly and briefly summarizes how the parameters involved in planning generation have changed. That report (p. 11) states:

"When Public Service Company of New Hampshire was formed more than half a century ago, hydroelectric power was still the primary source of electricity that ran the state's textile and shoe industries, and supplied much of consumers' needs. As more and more hydro sources were tapped, it became clear at a very early date that this source would be unable to meet growing electricity requirements. The company began to retire less efficient facilities as early as 1932, and built its last hydro station in 1948.

"In the middle decades of this century, the apparent solution was fossil fuels, particularly oil. By 1939, the company had begun to build facilities that out-produced the largest hydro stations. The trend toward oil usage accelerated after World War II, with that fuel's increasing abundance and low, stable cost. Technology that made oil-fired generating units larger and more efficient further reduced the cost of power as did improvements in transmission and distribution. The price of one kwh, which had been 12 cents in 1926, fell to five cents by 1945, and dropped further, to slightly over three cents in 1961.

"But by the later 1950's it had become apparent to PSNH planners that further reliance on oil was undesirable. In the late 50's and 60's the company adopted a balanced program of generating capacity construction in building the 450 mw coal-fired Merrimack station. In 1968,

management proposed a nuclear facility for the first time, but when regulatory difficulties were encountered and demand continued to press against capacity, the plan was dropped. In its place was the Newington station, completed in 1974. Newington was designed as a cycling station, one that would run to meet intermediate load requirements. Additional peak load protection was sought with the purchase of five combustion turbines with a combined capacity of just over 100 mw. These steps resolved the short-term capacity challenge, but they added to the dependence on oil that management had sought to avoid years earlier."

The following chart contains factual historical data as reported in the company's annual reports on file at this commission some of which were marked as exhibits in this case. We list the fixed assets of the company for 1960-77 on a calendar year basis and the corresponding amount of CWIP in each one of those years. We then make one simple calculation by dividing the fixed asset by the CWIP to show the percentage of CWIP in relation to total fixed assets.

Page 140

Reading the percentage column from top to bottom will show the percentage change from year to year in the amount of CWIP as it relates to total fixed assets. These figures indicate that CWIP has become an increasingly large portion of the total fixed assets of the company and that, indeed, parameters have changed in the area of construction of generation and other plant facilities.

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

Year	Fixed Assets	CWIP	Per Cent
1960	\$168,398,530	\$ 775,064	.4
1961	169,091,156	1,450,615	.8
1962	173,677,892	344,515	.2
1963	176,409,483	632,739	.3
1964	178,530,830	788,497	.4
1965	198,388,448	1,471,735	.7
1966	203,271,281	8,510,636	4.1
1967	211,271,742	31,003,349	14.6
1968	253,487,671	3,913,875	1.5
1969	267,562,251	14,307,681	5.3
1970	303,097,652	5,740,622	1.8
1971	317,455,568	18,965,106	5.9
1972	329,839,724	45,862,684	13.9
1973	348,695,392	81,077,255	23.2
1974	449,297,785	21,322,591	4.7
1975	459,176,144	44,435,903	9.6
1976	470,222,987	97,503,948	20.7
1977	487,907,549	188,557,114	38.6

In addition to the present company request for inclusion of CWIP in the retail rates of New Hampshire customers, the company has also requested the Federal Energy Regulatory Commission (FERC) for a Declaratory Order Authorizing Inclusion of Construction Work in Progress in Rate Base to Meet Severe Financial Difficulty (FERC Docket No. ER 78-115; NHPUC informal docket IR14,773). Although we do not base any part of this decision upon any allegations of fact made in that proceeding we would note that the company projects CWIP as a percentage of net plant including facilities under construction to increase at an astonishing series of steps from approximately 35 per cent in 1977; to 48 per cent in 1978; to 59 per cent in 1979; to 66 per cent in 1980 and to 70 per cent in 1981.

In comparison to the three major generating plants constructed between 1958 and 1974 each at costs from \$100 to \$200 per kw of installed capacity and each taking from two to four years to build Seabrook will cost over \$1,000 per kw and will require a construction period of more than a decade.

The LUCC argument that every utility plant should be sized and constructed to take care of existing customers and should be supported by their revenue is unreasonably idealistic. Transmission and distribution lines, for example, are built today and sized for the needs of customers expected to be added in the future. As a matter of fact, generating facilities under construction not only are sized for future growth but actually serve to restore reserve capacity which has been used to take care of existing customers.

This argument becomes particularly

Page 141

invalid in light of the changes in the last decade involving the construction of electric utility generating stations. The trend to large generating units to take advantage of economies of scale has been significant. The problem of generating internal cash to finance projects of this magnitude in comparison to total capitalization is well recognized by experts in this field.

The Federal Power Commission in its Order No. 555 in Docket No. RM 75-13 issued November 8, 1976 said:

"Materials in this record provided by the National Power Survey Technical Advisory Committee on Finance indicate that the electric utility industry will need to raise \$175 billion to \$335 billion in the next ten years, of which some \$115 billion to \$220 billion is projected to come from the capital market. Whether this figure is exactly accurate or not it is clear that electric capital demands will be very large. In those circumstances, there is a serious question as to whether external capital can be raised if the 'quality of earnings' is diluted by large accounts of AFUDC and whether the necessary internally generated cash can be achieved."

[8] In these times when the amount of CWIP is a high percentage of capitalization and growing, there is no way that a normal rate of return on plant in service can generate sufficient internal funds to pay interest and provide the basis to raise additional capital money for a new plant. High inflation and the high cost of replacing old plant further aggravates this situation. Customer rates based on the average cost of plant in service fall short of supporting the cost of new plant built at today's prices.

The mechanism for capitalizing interest during construction and collecting it back from the customers at some later time is theoretically sound, but when such interest costs are related to a project in excess of current capitalization and extending over the period of a decade, it fails to produce funds to sustain operation in the interim period. The theory becomes impractical.

There is ample evidence in the record through Mr. Trawicki's testimony and there is ample historical actual factual data in the filed annual reports of the company as indicated by the above chart, of which we take notice, to indicate that the parameters have, indeed, dramatically changed and those dramatic changes amount to a set of circumstances under which we find it appropriate to include an amount of CWIP in the rate base of the company for ratemaking

purposes.

Legislative Utility Consumers' Council argues that there is no significant difference in the quality of earnings when cash flow is generated from CWIP in rate base or AFUDC. Legislative Utility Consumers' Council focuses its argument on the quantitative rather than the qualitative aspect of AFUDC. Legislative Utility Consumers' Council indicates that it is the quantity rather than the quality of earnings which should be the focus of attention in this case.

A utility's earnings are made up of both cash and noncash items. The noncash component of earnings is AFUDC and the level of AFUDC which the company will encounter as a percentage of cash earnings is estimated to be 83 percent of the company's earnings in 1978, 113 per cent of its earnings in 1979, 137 per cent of its earnings in 1980, 146 per cent of its earnings in 1981, 104 per cent of its earnings in 1982, 62 per cent of its earnings in 1983, and 31 per cent of its earnings in 1984. (Trawicki testimony, Exh C-2, p. 15.) As the AFUDC (non-

Page 142

cash) component of earning increases the quantity of cash earnings decreases.

Our focus in examining earnings is twofold. We are looking at the *quality* of AFUDC type earnings and we are looking at the resultant *quantity* of cash earnings. The company must pay interest on borrowed funds with cash. It simply cannot use noncash earnings. Therefore, we conclude that AFUDC earnings are not of the quality which allows them to be used for the essential purpose of paying off interest on indebtedness during construction. The company needs a certain quantity of cash earnings in order to meet interest obligations on borrowed funds and as AFUDC increases, real cash earnings decrease and the company finds itself in a position where they are badly strapped for cash.

The term "quality of earnings" was not conceived by the company but rather by the investment community. Conclusions on quality of earnings are not made by the company but rather by major investment advisors in the financial community and by the investors. Their determination of quality of earnings represents their qualitative judgements based on the various criteria in a company with which they are presented. Documentary evidence in the investment field illustrates that quality of earnings is a prominent criterion for quality of a utility investment. (Salmon Brothers, "Electric Utility Quality Measurement and Earnings Forecast," Exh P-11, pp. 3, 4; Standard and Poor "Fundamental Approach to Public Utility Bond Ratings," Exh LUC 35-A, REM 4.)

Both LUC witnesses Logue and Miller acknowledged the effect that AFUDC has on earnings although both of those witnesses argued that CWIP should not be included in the rate base and that the commission should not substitute the CWIP accounting method for the traditional AFUDC accounting method. Witness Logue conceded that investment houses do draw unfavorable inferences from high percentages of AFUDC earnings and that those investment houses do use AFUDC earnings to make qualitative judgements and do regard it as a criterion of risk (Transcript Vol 15, pp. 47-52). Witness Miller indicated that an investor may view low quality of earnings as an indicator "that trouble may lie ahead." (Transcript Vol 19, p. 29.) Miller further agreed that the higher levels of AFUDC that the company would experience in the future may at least cause doubt in investors' minds about the desirability of investing in the

company.

Legislative Utility Consumers' Council refers to its Exh 4, the common stock prospectus of August 9, 1977, in which the company spelled out the accounting for the income effect of AFUDC. Legislative Utility Consumers' Council points out that the company in this instance sold 1.2 million shares of common stock in August of 1977, and that the stock was sold to the public with the information as to the level and meaning of AFUDC disclosed. Legislative Utility Consumers' Council concludes that the investors in effect purchased the future earnings of the company.

Future financings by Public Service Company have not been as successful. These appear in our records and we take notice of them. On January 25, 1978, the company filed a petition pursuant to RSA 369 requesting the commission's authority to mortgage its present and future property under a new general and refunding mortgage indenture, to issue and sell not exceeding \$40 million of general and refunding mortgage bonds, and to issue and pledge first mortgage bonds as security for the general and

Page 143

refunding bonds. A duly noticed hearing was held at the office of the commission after which the commission issued its report and Order No. 13,062 dated February 9, 1978, authorizing the company to engage in this type of financing. On March 16, 1978, the company informed the commission that the sale of the general and refunding mortgage bonds as authorized by Order No. 13,062 had been deferred for several months because the major insurance company which was considered to be prospective purchasers of those bonds had been unwilling to commit to purchase the bonds during this particular period of uncertainty, especially with respect principally to the company's pending New Hampshire retail rate case, but also in part to litigation involving the Seabrook project.

Shortly after the commission was notified that the company had filed a petition for authority to issue and sell not exceeding 1.5 million shares of common stock, the proceeds of which were intended to be used for the same purpose as the proceeds of the general and refunding mortgage bonds would have been used if they had been issued in late March (DF 78-11) as originally scheduled. (Docket DF 78-32.) The commission by its report and Order No. 13,098, issued March 29, 1978, authorized the company to issue and sell the 1.5 million shares of common stock. That sale took place on Monday, May 8, 1978, and by supplemental Order No. 13,137 issued on that day the company was authorized to issue and sell 1.3 million shares of \$5 par value stock at a price of \$18.37 per share to underwriters and \$19 to the public, which was about \$4 below book value.

Recent activity of the company in the financing area clearly indicates the severe financial stress it finds itself in. Public Service Company, in view of the failure to issue general and refunding mortgage bonds and while awaiting the sale of 1.5 million shares of common stock have asked the other Seabrook project participants for advance payments for the months of July, August, and September. The company by this action is seeking to increase the cash levels needed to pay off on interest on previously borrowed funds for its construction at Seabrook. Simply stated, as construction continues under the traditional method of accounting of AFUDC, noncash

earnings increase and cash earnings decrease. As cash becomes lower and lower, the company has a need to regenerate that cash to pay current obligations. As witness Trawicki succinctly stated:

"Investors, both equity investors who expect dividends, and debt investors who expect interest, have to be paid in cash. While all the earnings of the company are represented by AFUDC, absent additional fund raising there would be no cash available to pay that interest and dividends, and if a utility were to be in a situation where it was closed from the capital markets, then both the dividend and interest payments would be in jeopardy." (Transcript Vol 17, p. 31.)

Further recognition has been given to the financing problems being experienced by utility companies during construction periods, especially those that take unusually long periods of time.

The recognition that has been given to this problem is found in the Federal Power Commission Docket No. RM 75-13 Proposed Rules, dated November 14, 1974. The FPC (now the FERC) states the rationale for their rule change. The FPC states:

"The commission is proposing these changes in policies and procedures

Page 144

primarily to help alleviate the current financial problems being experienced by utility companies. The change would enable companies to obtain current cash flow applicable to investments in construction work in progress instead of waiting until plant is placed inservice before any cash flow is received."

Roughly half the states in the United States allow CWIP in some form or other under certain circumstances, and have given recognition to the same factors stated above in the FPC rationale.

In the final FPC order dated November 8, 1976, the FPC recognized the need for CWIP in rate base under special circumstances where the utility is in severe financial stress and in two other instances not applicable to the instant case.

The FPC stated:

"The FPC will also permit in individual proceedings, inclusion of CWIP in rate base where the utility is in severe financial stress. The financial circumstances that we contemplate are those in which it would be clearly detrimental to utility wholesale customers if some amount of CWIP were not permitted in rate base. In particular, we envision a situation in which the rate of return necessary to enable the utility to maintain its credit and attract capital in accordance with the standards of the Bluefield decision would be materially in excess of the cost of capital for otherwise similar utilities. Such a circumstance might arise for example, where the agencies of the utility's construction program are such as to reduce its interest coverage to such an extent that additional capital can not be raised at reasonable rates and that an amount of earnings sufficient to attract capital would require a rate of return on equity substantially in excess of the cost of equity capital to otherwise similar electric utilities. Under such circumstances, it would be to the benefit of the consumer if additional earnings necessary to attract capital were permitted by way of a return on CWIP rather than by way of an inflated return on the traditional rate base. Since the former treatment would eventually be reflected in a lower rate base by way of reduced AFUDC, while the later would not.

"We cannot emphasize too strongly, however, that we will not consider any inclusion of CWIP in rate base (apart from the exceptions mentioned above) absent a clear showing of financial difficulty which cannot be otherwise alleviated without materially increasing the cost of electricity to consumers. Where such a showing is clearly and convincingly made, we will consider the inclusion of some amount of CWIP in rate base on a case-by-case basis. Under no circumstances will inclusion of CWIP in the rate base solely because of severe financial stress, be permitted prior to a final commission determination on rehearing that financial circumstances justify inclusion."

In applying the severe financial stress test to this case, Mr. Trawicki examined the various conditions which characterize severe financial stress, that is, increased capital requirements, depressed earnings, reduced cash flow and internal generation of funds, and reduced coverage ratios. In reviewing these conditions which characterize severe financial stress Mr. Trawicki stated:

"Public Service Company current projections indicate that the company's construction requirement for 1977-78 approximate \$300 million. Earnings and internal generation have declined in 1977. Therefore, in order to finance this program other capital requirements

Page 145

almost an equal amount (\$300 million) of external financing is required in 1977-78. This level of financing is a very substantial undertaking representing approximately 70 per cent of the company's capitalization at test-year end. Based on company projections of internal generation over the next five years, on the average Public Service will only be able to generate 15 per cent of its capital requirements internally; the remaining 85 per cent must be raised externally. However, increasing levels of AFUDC earnings, low coverage ratios, strained bond ratings, and book-to-market ratios below 1.0 could make such a financing program difficult or almost impossible to accomplish. *I do not believe that it is in the best interest of ratepayers or investors to have the company teeter precariously on the brink of financial disaster, not through any fault of its own but in order to meet the obligations to provide safe and adequate service.* I believe that the evidence indicates very clearly that some amount of CWIP must be included in the Public Service Company's rate base." (Emphasis added.)

Historically, the company has been able to generate approximately 45 per cent of its cash requirements from internal sources. However, because of the sizable construction program the company has undertaken which creates high capital requirements, and because of resultant large amounts of AFUDC earnings which also causes a proportionate reduction of internal cash sources, the company's internal sources of funds on a projected basis over the next several years is quite low in relation to increasing amounts of AFUDC and overall cash requirements. This is a condition which characterizes financial stress and also is an indication that the parameters of company operations in this area are changing as a result of its large construction program.

In applying the FPC financial stress test, coverage ratios were examined. Minimum coverage requirements are defined in terms of the company's indenture relating to the company's first mortgage bonds (interest coverage) and under the company's articles of agreement (of fixed charges plus preferred dividend coverage), relating to preferred stock. These minimum

requirements must be met in order for the company to offer additional secured debt or preferred debt.

Meeting indenture coverage tests is a critical matter to rating agencies in the financial community in general. Since the indenture coverage test is an indication of the company's ability to meet its fixed obligations of interest and preferred dividends and to the extent that that ability may be impaired, which it would be when the coverage ratio falls, it will result in substantial reduction in the credit of the company. (Transcript Vol 3, p. 75, witness Harrison.) Both Myer, a member of the financial community and witness Harty, also a member of the financial community, referred to coverage ratios as one of the principal elements in deciding how much capital investment a company could support.

Public Service Company needs cash to cover its fixed obligations and AFUDC earnings are noncash earnings. As AFUDC noncash earnings increase the proportion of cash earnings decrease and the internal generation of cash proportionately decreases. Therefore, the conventional AFUDC accounting method during a lengthy and large construction project has a dramatic effect upon coverage ratios since those coverages are calculated after the deduction of noncash AFUDC earnings.

Page 146

Legislative Utility Consumers' Council asserts that the company has not made a clear and convincing showing that it is in financial stress and further that the company has not shown that its financial situation is caused by the exclusion of CWIP from rate base. Legislative Utility Consumers' Council witness Miller testified that before the company might be found to be in financial stress, the company should get the rate relief that it requires and deserves. Only after that should a determination be made that even with the rate relief provided, the company in the future will maintain its financially stressful situation.

[9] The commission has examined the various alternative methods of granting the necessary rate relief to generate the required cash for the company and finds that the alternative methods are disadvantageous and undesirable in many respects. The commission has examined the option of allowing a higher rate of return on equity capital than would normally be allowed on a conventional rate base as a means of attracting capital from investors who would require higher returns because of the increased riskiness of the firm during the construction period. Witness Trawicki, the commission financial expert, stated "that such an alternative would result in an inflated return which is unrealistic when compared to other utilities and it could have the effect of establishing an inappropriate precedent. It would result in higher current rates similar to the company's CWIP proposal but without the redeeming virtue of lower future rates."

We find that setting a rate of return higher than normal would impose the same burdens on customers, that is, the rates would be the same while providing none of the advantages of the CWIP method, that is, a future reduction in rates because of a smaller future rate base. In other words, if the interest on the CWIP component is paid for today, it will not be included in the rate tomorrow. If CWIP were not allowed and the needed cash revenue were generated through a rate of return, the company would continue to accumulate AFUDC along conventional accounting principles and eventually add this total amount to the total capitalization of plant. Thus, there

would be no future reduction in rates stemming from discontinuance of AFUDC and costs associated with higher plant capitalization such as property taxes and insurance.

The commission has examined the option of full normalization of tax benefits of accelerated depreciation. Initially, this method would probably not generate sufficient funds to provide the required relief. And, in addition, it is a relatively imprecise method and not readily controllable. Finally, once a company starts normalizing it is difficult to go back to flow-through accounting and, therefore, changing to normalization becomes a permanent solution to a temporary problem.

In summary, then, there is no more sensible or sound regulatory tool for granting the needed level of revenues than by adding CWIP to the rate base. Adding CWIP has the advantage of being flexible and controllable. Moreover, once the plant goes into service the CWIP inclusion is discontinued. Therefore, the appropriate level of revenue with the appropriate timing results from using the CWIP in rate base method. In addition, it has the added benefit of a lower rate base and lower depreciation charges because of reduced AFUDC currently.

[10] Legislative Utility Consumers'

Page 147

Council contends that inclusion of CWIP in rate base would be contrary to New Hampshire law. After examining in careful detail the applicable statutes giving the commission rate-setting jurisdiction, we conclude that the inclusion of CWIP in the rate base in any particular proceeding is a matter resting within our discretion and that, as long as we reasonably exercise that discretion, we would be acting consistently with the laws of the state of New Hampshire as interpreted by the New Hampshire supreme court.

Legislative Utility Consumers' Council has argued that New Hampshire statutes limit the commission to providing a return on property which is "used and useful" in the public service. We do not find that the New Hampshire statutes limit the commission in that way. We find that the standard for temporary rates for example set forth in RSA 378:27 mandates that temporary rates: "Shall be sufficient to yield not less than a reasonable return on the cost of property used and useful in the public service less accrued depreciation." This demonstrates that the net value of used and useful property is the minimum rather than the maximum legal basis for yielding a reasonable return.

Moreover, RSA 378:28 (following the temporary rates section) broadens the scope of the commission's authority even further by authorizing the commission to receive and consider any evidence "pertinent and material to the determination of a just and reasonable rate base." Thus, the statute confers broad discretion to determine just and reasonable rate base without limitation to property "used and useful." In fact, this commission has previously exercised such broad discretion in *Re New England Teleph. & Teleg. Co.*, DR 76-164 in which the telephone utility was allowed to include plant under construction as a component of rate base. (Commission order dated April 16, 1976, p. 7, Table 1 and 14 PUR4th, 295, 297, 298.)

In a prior case involving the Public Service Company the commission included in rate base at its full cost for the test year the Newington station despite the fact that it only went into service in the last quarter of the test year. In that instance the commission departed from conventional procedures used in computing a rate base where the circumstances presented

justified such a departure.

We find support from other jurisdictions as well. In addition to the recognition given the allowance of CWIP by the Federal Power Commission (now the Federal Energy Regulatory Commission), about half of the states permit inclusion of at least some portion of CWIP in the rate base. As one example see *Goodman District of Columbia Pub. Service Commission* (1974) 162 US App DC 74, 497 F2d, 661, 668 in which the court stated:

"In its justification of inclusion of plant under construction in the rate base, the commission observed that there were alternative methods available providing no double return was granted to the utility. The commission specifically found that funds invested in construction are being used for the benefit of the public just as much as funds invested in plant in service particularly where the record has demonstrated a continuing need for permanently financing a large construction program. We believe this recitation is sufficient. *Funds are not necessarily used or useful only when they are currently invested in completed plants.*" (Emphasis added.)

With respect to the traditional princi-

Page 148

ple that only operating property is used and useful, we believe the FPC in its Order No. 555 covers this matter most adequately when it says:

"All of the above considerations lead this commission to conclude that it will not adhere to an absolute rule that plant must be used and useful in the traditional sense before it may be included in the rate base. Of course, in a very real sense, a plant under construction, which will go on line in the future, is quite useful to consumers. Where the plant not under construction, the consumers might well be facing danger of future power insufficiency, which threat would be alleviated by the new plant."

The FPC in the above opinion reflects the view of A.J.G. Priest, a noted utility authority. Priest in his treatise, *"Principles of Public Utility Regulation"* (p. 178) states: "Utility property does not spring miraculously into existence, when it is needed, but must be constructed over substantial periods of time."

Legislative Utility Consumers' Council has advanced the traditional reason that construction work in progress cannot be included in rate base because it cannot meet the used and useful test. This test is predicated on the theory that plant under construction does not currently benefit customers and is, therefore, not entitled to earn a fair rate of return for the utility. This theory ignores the fact that utilities are legally required to plan responsibly to meet future growth on their system created by the future service needs of the existing as well as future customers. We find that the assurance that these future needs will be satisfied is of obvious and immediate benefit to present customers. The investment that a utility must make in its ongoing construction program is an investment made for the benefit of its customers. Therefore, it is an investment which must be termed to be used and useful and upon which the company should be entitled to a reasonable return.

Based upon all the foregoing evidence submitted in the record regarding the issue of CWIP, the commission finds that the inclusion of CWIP in the rate base will, in the long run, benefit the

ratepayers as well as the company. From the standpoint of the ultimate and total amounts of revenues required of the customers, the inclusion of CWIP in rate base cannot be said to be an overall detriment to the customers. This method will generate increased cash flow for the company thereby decreasing the necessity for externally financed capital and increasingly higher rates of interest. The resulting reduction in the need for higher cost capital will inure to the benefit of the ratepayers and eventually lessen the necessity of increasing rates to them to cover such costs.

We find that the sum of \$111,258,428 of construction work in progress (CWIP) as adjusted by the accumulated deferred taxes, should be included in the company's rate base, and therefore, we determine the company's rate base to be \$478,833,421, as follows:

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

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

RATE BASE
APRIL 30, 1977

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We further find that to the extent that CWIP is included in the rate base based on this opinion that there should be a concurrent discontinuance of AFUDC accounting treatment for those amounts.

Fair Rate of Return

A primary issue in this and in every other rate case is the determination of a fair rate of return for the utility company involved.

The New Hampshire supreme court in the case of *New England Teleph. & Teleg. Co. v New Hampshire* (1962) 104 NH 229, 44 PUR3d 498. has held at p. 238 of 104 NH, as follows:

"A company's rate of return must be sufficient to assure the investor's confidence in the financial soundness of the utility and enough to maintain and support its credit so that it will be able to raise the money necessary to improve and expand its service."

In the case of *Chicopee Mfg. Co. v Public Service Co. of New Hampshire* (1953) 98 NH 5, 98 PUR NS 187, the court held at p. 11 of 98 NH, as follows:

"While it is true that an attractive return to the investor is not necessarily just to the consumer, a balancing of the interests of both investor and consumer requires a return which will enable the utility to maintain its credit and attract the necessary capital to meet increased demands for improvement and extension of its service."

Thus, in order to establish the just and reasonable rates to which the company is entitled, the commission is required by law to determine a fair rate of return which will assure confidence in the financial integrity of the company. The determination of a fair rate of return thus involves the issues of capital structure and the cost of capital, including the cost of long-term debt, cost of short-term debt, cost of preferred stock and cost of common equity. Although cross-examination by LUCG covered all of these issues, the LUCG makes no argument in its brief relative to capital structure, cost of long-term debt, cost of short-term debt or cost of preferred stock. These items, therefore, will be treated only briefly since there is no dispute about them.

Capital Structure

The company submitted a proposed capital structure (Exh P-1-H) as of April 30, 1977, which reflects certain anticipated events. It showed a capital structure as follows:

Page 150

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

Long-term Debt	50.97%
Short-term Debt	1.86
Preferred Stock	14.43
Common Equity	32.92

Subsequent to cross-examination, an updated exhibit on capital structure was submitted and marked as LUCG Exh 16 as of September 30, 1977. It showed a capital structure as follows:

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

Long-term Debt	48.20%
Short-term Debt	4.74
Preferred Stock	14.48
Common Equity	32.58

Commission witness Trawicki submitted Schedule 1 (Exh C-1) showing a capital structure as follows:

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

Long-term Debt	47.6%
Short-term Debt	7.5
Preferred Stock	13.7
Common Equity	31.2

Mr. Trawicki recommended and urged that the commission employ actual data to the extent that it may become available in determining the appropriate capital structure for Public Service Company of New Hampshire. Of all of the exhibits in the record in this case, LUCC Exh No. 16 contains data that is more current than that utilized by Mr. Trawicki or that originally filed by the company. We find that this is a reasonable capital structure and we shall adopt it for purposes of this rate case. The capital structure we find is:

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

Long-term Debt	\$280,218,000	48.2 %
Short-term Debt	27,550,000	4.74
Preferred Stock	84,187,200	14.48
Common Equity	189,377,439	32.58
	<hr/>	
	\$581,332,639	100.00%

[11] The long-term debt component as shown above contains a \$40 million debt issue of general and refunding mortgage bonds. The company filed for authority on January 25, 1978, for authority to issue and sell these general and refunding mortgage bonds and to issue and pledge first mortgage bonds as security for the general and refunding mortgage bonds. To date, this financing has not taken place. The sale of the general and refunding mortgage bonds has been deferred because the major insurance companies which were considered to be prospective purchasers of those bonds were unwilling to commit to purchase the bonds during this particular period of uncertainty with respect principally to the company's pending New Hampshire retail case which is being decided in this decision. Although the \$40 million of general and refunding mortgage bonds have not been issued and sold, we expect that when the uncertainty of this rate case is removed, that the debt financing can be carried out and that the \$40 million of debt will become a part of the capital structure.

Cost of Preferred Equity

The company's cost of 7.78 per cent and Trawicki's cost at 7.7 per cent vary only slightly on the issue of cost of preferred equity. We find the proper cost of preferred equity to be 7.78 per cent.

Cost of Short-term Debt

Commission expert witness Trawicki adopts the company estimate of the cost of short-term debt as being a reasonable projection. The key determinant of the cost of short-term debt is the prime lending rate which can and does fluctuate from time to time. Legislative Utility Consumers' Council witnesses Logue and Miller make no projections regarding the cost of short-term debt and

the LUCC brief makes no argument in this regard. Thus, we find, based on the testimony and exhibits in this record, that the cost of short-term debt is 8.13 per cent. (Testimony of Harrison, Transcript, Vol 8, p. 13.)

Cost of Long-term Debt

Only the testimony of company witness Harrison and commission witness Trawicki deal in

any direct way with the computation of the cost of long-term debt.

The current embedded cost of long-term debt is properly calculated by first determining the total annual charges to a company on its outstanding long-term debt. These charges include the net of yearly interest charges, amortization of discounts, release of premiums, and amortization of cost of issue. Then the amount of proceeds from the debt issue is determined. This figure is obtained by subtracting the net total of unamortized discounts, unreleased premiums and unamortized costs of issue from the outstanding face amount of the debt. The cost of debt is then obtained by dividing the total annual charges by the proceeds. Using this approach Mr. Trawicki determined that the embedded cost of long-term debt was 8.02 per cent. (Schedule 2 of Exh C01.)

Trawicki's Schedule 1 contained an additional \$47 million of long-term debt. Because of reduced cash requirements for the fourth quarter of 1977, the amount needed was reduced from \$47 million to \$40 million, (Testimony of Harrison, Transcript Vol 1, pp. 119, 120.) and the estimated interest costs was revised from 8.75 per cent to 9 per cent. Further, the interest cost of the \$25 million term load had increased from 7.97 per cent to 8.85 per cent. (Harrison, Tr. Vol 8, p. 10.)

Taking into account these adjustments supported by the record, we find that the overall cost of long-term debt is 8.12 per cent.

Cost of Common Equity

The cost of common equity capital, however, is in contention. This is the most difficult factor to determine since the cost of common equity can not be directly observed but must be determined after careful financial analysis and the application of sound financial judgement.

[12] The cost of common equity is that percentage rate of return on the book value of the utility's common stock equity which the company must have the prospect of earning in order to attract equity capital in competition with other investment opportunities open to investors. In making the determination of what the cost of equity capital should be, the commission has a very fine and delicate task of protecting the ratepayers of the company while at the same time making certain that the financial stability and interests of the company are maintained and upheld.

Four witnesses testified regarding the cost of equity capital. Legislative Utility Consumers' Council presented witness Logue who employed two methods to estimate the company's cost of common equity. Under the first method, Logue estimated the cost of common equity to be approximately 12.1 per cent if past earnings growth was used as a proxy for expectations of future growth and he estimated the cost of common equity to be approximately 11.8 per cent using the earnings retention rate and realized return of equity as a proxy for expectations of future dividend growth. He concluded that the 12.1 per cent figure is the

Page 152

better of the two. Under the second method, the so-called capital asset pricing model (CAPM) Logue estimated the company's cost of common equity to be approximately 11.4 per cent. Averaging the two estimates he concludes that his final estimate is 11.8 per cent.

The company presented witness Benderly who also employed two methods of estimating the

company's cost of common equity. Under the first method a so-called price-book method employed a step-wise multiple regression analysis, Mr. Benderly estimated that the company's cost of common equity was 14.1 per cent. Under the second method, the discounted cash-flow method, Mr. Benderly estimated a cost of common equity of 13.8 per cent. Returning to his statistical model, Mr. Benderly concluded that an earned rate of return on common equity of 15.1 per cent was necessary for the price-book ratio of the company common stock to reach 1.1.

The company presented witness Meyer who testified that, in his opinion as an experienced financial analyst, the rate of return on common equity should be 15 per cent. Although Mr. Meyer is a qualified financial expert, his testimony did not deal in great detail with a methodology for arriving at the cost of common equity capital. Mr. Meyer's testimony dealt mainly with investor requirements generally, and in arriving at these requirements, he highlighted areas of credit analysis and reviewed the company's present financial position and their past financial history using the most important criteria which investors consider in analyzing utilities securities, that is, return on equity capital.

Commission expert witness Trawicki also employed two methods of estimating the company's cost of common equity. Under the first, the so-called comparable risk and comparable earnings approach, Mr. Trawicki estimated an historical cost of common equity in the range of 13 per cent and 13.5 per cent which he then adjusted upward by a factor of 0.5 per cent to make his estimate prospective in nature. Under his second method, the discounted cash-flow method, Mr. Trawicki made an initial estimate of the common cost of equity of 12.6 per cent in order to achieve a market-to-book ratio of approximately 1.1. He then adjusted this figure upward by adding 10 per cent to the dividend yield employed in the basic DCF analysis to allow for costs of financing and market pressure. This adjustment resulted in an estimated cost of common equity of 13.5 per cent and a best estimate in the range of 13.5 per cent — 14 per cent as shown on his Schedule 18 to Exh C-1.

The three experts, Mr. Logue, Mr. Benderly and Mr. Trawicki presented methodologies for the determination of cost of common equity capital and have thus provided the commission with three distinct estimates of the cost of common equity: 11.8 per cent based on an average of 11.4 per cent and 12.1 per cent (Logue); 15.1 per cent with a standard error of 0.8 per cent (Benderly); and a range of 13.5 per cent to 14 per cent (Trawicki).

We will review the methodologies used by the three witnesses and their testimony which is outlined above in order to make a final determination on a fair rate of return for the Public Service Company of New Hampshire.

Legislative Utility Consumers' Council witness Logue employed two methods in estimating the cost of common equity capital; the dividend growth model and the capital asset pricing model (CAPM). On the basis of these methods witness

Logue concluded that the cost of common equity capital to the company was in a range of 11.4 per cent to 12.1 per cent and Logue chose the midpoint of 11.8 per cent as his final conclusion on this issue.

The dividend growth model shows that the cost of equity capital equals the current dividend

yield plus the expected rate of growth in dividends, that is, appreciation. The current dividend yield is ascertainable but the appreciation factor must be estimated. According to Mr. Logue, there are two ways of estimating future growth and dividend payments. The first way the investor makes estimates regarding future dividend growth is on the basis of past earnings growth. The second way the investor makes estimates regarding future dividend growth is based upon the earnings retention rate and the realized return on equity. Mr. Logue states:

"If one assumes that past earnings growth is the better proxy for investor expectations of future dividend growth then the cost of equity capital for PSC is approximately 12.1 per cent. If the earnings retention rate and the realized return on equity is believed to provide the better surrogate for future dividend growth then the cost of equity capital is approximately 11.8 per cent."

Unlike Mr. Trawicki, Mr. Benderly, and Mr. Meyer, Mr. Logue, whose practical experience in utility matter is lacking, whose participation in public utility rate proceedings was minimal (one prior appearance before this commission during 1977) and whose consultation work has never involved the ascertainment of the cost of common equity for a public utility with one minor exception, failed to take into consideration the impact of the underwriters spread associated with the issuance of equity capital. Mr. Logue gave no recognition to financing costs and market pressure caused by the issuance of new shares. Mr. Logue also overlooked all out-of-pocket costs of the company in connection with the issuance of a common stock. We conclude from this failure to adjust for the cost of issue that his knowledge of the utility industry and practical market experience is deficient and his knowledge of public utility accounting is likewise deficient. Thus, after consideration of his testimony we do not give it any probative value.

The capital asset pricing model (CAPM) advanced by Mr. Logue was an attempt at a more quantitative approach to the cost of common equity capital and intended to narrow the relevant range established in Mr. Logue's first method and to allow for greater confidence in determining the firm's true cost of equity capital.

The CAPM approach examines a so-called volatility factor (referred to as a beta), short-term U.S. Treasury bill rates, and overall expected rate of return on common stocks. In examining the above factors the CAPM model assumes that:

1. All investors have one common time horizon for their investment.
2. Investors have homogeneous expectations about future returns for each security.
3. Investors only look at the average expected future return for a security, and the variability of that return and they do not consider other financial characteristics such as equity ratios, bond ratings, coverage ratios, and the like.
4. There are no transactions, costs, or taxes and each security is perfectly divisible.

Additionally, the CAPM model as-

sumes that investors will not consider unsystematic risks because all investors are

diversified. Diversified investors are large institutional investors. The record, however, indicates that only about 2 per cent of the company's stock is held by banks and funds. Thus, we find the CAPM model is not a reliable methodology and is inapplicable in this proceeding.

Company witness Benderly developed a statistical model designed to measure the cost of common equity. Mr. Benderly's approach is a market-oriented concept. The first step of his approach was to determine the dependent variable, the price-book ratio of 95 electric utilities. The second step in this statistical analysis was to find a multiple regression equation relating to the dependent variable (the recent price-book ratio) to a combination or group of independent variables which would include all of the statistically significant independent variables and provide the best fit to the data. The procedure employed is "stepwise regression." (Exh P-4, p. 14.)

Using the step-wise regression technique, Mr. Benderly found seven variables statistically significant which quantify and measure the cost of common equity for electric utility companies. When applied to the company Mr. Benderly's statistical model revealed a bare bones common equity cost of 14.01 per cent and a cost of common equity capital of 15.1 per cent. (Transcript Vol 6, pp. 85, 86.)

The company argues in its brief that Mr. Benderly's updated study was not market as an exhibit and is, therefore, not part of the record. Reference to Transcript Vol 6, p. 24 establishes that the LUCC and company counsel stipulated that the updated study would be received into evidence without the necessity of Mr. Benderly coming back to testify to it or to authenticate it. Although not formally marked due to the absence of the witness, Mr. Benderly, we find that the parties agreed that this updated study should be considered as part of the record.

That updated study produced a new bare bones cost of equity of 13.2 per cent. In other testimony Mr. Benderly states that given a 95 per cent confidence level, that the bare bones cost of equity falls at plus or minus 0.8 per cent. Transcript, Vol 6, p. 2. Therefore, based on his new study, Mr. Benderly's bare bones cost of equity would be in the range of 12.47 per cent to 14.07 per cent (13.7 per cent plus or minus 0.8 per cent.)

The top of the new range submitted in Mr. Benderly's updated study is very close to the top of the range testified by commission witness Trawicki (14 per cent) and very close to the top of the range argued by LUCC in its brief to be a just and reasonable cost of common equity (also 14 per cent).

We recognize the experience of Mr. Benderly and the validity of many of the statements he was made upon the record. However, his step-wise multiple regression analysis is an attempt to replace the necessary element of judgment in determining cost of common equity with a purely mathematical approach. This method implies that only seven statistically significant factors make a difference in investors' determination of the cost of common equity capital for utilities. On this basis the approach of Mr. Benderly in the step-wise multiple regression analysis is given very little weight in this proceeding.

Commission witness Trawicki employed two methods in determining the cost of common equity capital. They are 1. the comparable risk and com-

comparable earnings method; and 2. discounted cash-flow or DCF method.

The comparable risk and comparable earnings approach establishes a relationship between the company's overall risk and its return on book equity. A basic assumption in this comparable risk approach is that the greater risk to which the investor in the company is exposed, the higher is the rate of return that he requires for his investment. Mr. Trawicki makes comparisons not only with other regulated industries but with nonregulated industries having comparable or corresponding characteristics. This method is supported by the economic criteria laid down in the two United States Supreme Court decisions (Bluefield and Hope) which hold that rate of return for a utility company should be commensurate with returns being earned on investments with companies with *corresponding risks*.

Mr. Trawicki examined various risk measures; operating ratios, earnings per share, dividends per share (all measuring financial risk). Mr. Trawicki's approach is not statistical, it is not a quantitative approach and it is not a mechanistic approach. It is one that is based on common sense, good business judgement, and years of actual experience in the financial community.

Mr. Trawicki examined the growth and stability of annual earnings per share during the past five- and ten-year periods for the company. Earnings per share reflects overall risk and is an indication of the risk impact on equity holders. Both earnings per share growth and stability for the company has improved in the past five-year period compared to the ten-year period.

Mr. Trawicki examined annual dividend per share growth and stability which is an indication of overall risk but in addition is an indicator of the equity investors uncertainty regarding yield. Although the company's earnings growth rate improved, the dividend growth rate declined, from 3.42 per cent to 2.23 per cent in the most recent five-year period. Stability of dividends declined from 0.88 to 0.865.

Mr. Trawicki examined the average common equity of the company as a per cent of average invested capital. This measure indicated that the company has used less common equity to finance assets, thereby assuming greater financial risk than other industry composites.

Mr. Trawicki analyzed fixed-charge coverages and concluded that based upon his comparison that the company had a coverage that is lower than all other composites used in his comparison. A comparison was made by removing AFUDC, and this put the utilities on a relatively comparable basis with other industrials. Mr. Trawicki analyzed market value to book value ratios. For five-year period ending 1976 the company had the lowest market-to-book value ratio of all the composites with the exception of the normalized electrics. Generally, a utility should have a market-to-book ratio of about 1.0 to 1.1. If the utility's ratio is much above this there is a good chance that the company is earning too much, while a ratio below this level might hinder the company from floating new equity without dilution of earnings. The company's five-year average was 88.53.

Mr. Trawicki examined operating ratios which give an indication of business risk. Companies with high operating ratios are more subject to fluctuations and profitability because of operating revenue and expense fluctuations. Mr. Trawicki's analysis (Schedule 13 of Exh C-1) shows that the company

had a higher operating ratio than electric composites generally.

Mr. Trawicki's relative risk analysis shows that the company had substantially higher financial risk than other composites indicated by its equity ratio, fixed charge coverages and projected levels of AFUDC. Mr. Trawicki states:

"Considering all factors it is my judgment that historical analysis indicates that the company should be earning somewhere between returns earned by the electric and industrial composites. Over the last five years electrics have earned 11.9 per cent and industrials 13.9 per cent. In my opinion historical analysis indicates a cost of equity of 13 per cent to 13.5 per cent."

Mr. Trawicki goes on to explain that such a conclusion is sound only if historical patterns were to repeat in the future. Trawicki further states:

"I believe the cost of equity has increased somewhat over the data contained in my analysis. I believe an adjustment factor of 0.50 per cent is adequate to make my recommendation prospective in nature. My *final conclusion* is that based upon my analysis of comparable risk the cost of equity for PSC of NH is 13.5 per cent to 14 per cent."

Mr. Trawicki then utilized the DCF method which reflects a market value approach. It is a method which utilizes a formula and assumes that the market price of a stock equals the cash flow of expected future incomes, both dividends and market price appreciation, discounted to their present value. Stated another way, this approach means that when the present value of the future flow of income is equal to the market price, the discount rate is equal to the cost of equity capital.

The sum of the dividend yield and expected growth is a measure of what investors currently require. Mr. Trawicki determined the dividend yield by dividing the dividend rate by the average high and low market price of the company's common stock for the twelve months ended August 30, 1977. The monthly average for this period was \$20.71. Using the 1977 reported dividend payment of \$1.88, the computed dividend yield is 9.1 per cent. (Schedule 16, Exh C-1.) Mr. Trawicki examined investors' expectations and examined several factors including earnings, dividends, and book value per share. Dividends per share over a five-year period grew at the rate of 2.23 per cent as compared to a 3.42 per cent growth rate over a ten-year period. Earnings per share over a five-year period grew at a rate of 4.96 per cent as compared to a 2.81 per cent growth rate over a ten-year period. Book value per share grew at a rate of 1.0 for the five-year period as compared with 3 per cent rate for the ten-year period. Based upon these figures it is seen that average dividends have grown approximately 3 per cent and earnings have grown 4 per cent. Mr. Trawicki concluded that a reasonable estimate of future growth would be 3.5 per cent.

Adding the 9.1 per cent dividend yield to the 3.5 per cent average expected growth rate in the formula utilized in the DCF method yields a cost of common equity capital of 12.6 per cent which is then adjusted for market pressure and costs of issue. Mr. Trawicki adjusted the dividend yield upward by a factor of 10 per cent to allow for the financing and market pressure. The effect of this adjustment was to raise the cost of equity required for capital attraction to 13.5 per cent.

Based upon the two methods, the cost of common equity capital testified to by

Mr. Trawicki falls within a range of 13.5 per cent to 14 per cent.

In summary, in this proceeding, it is the position of the LUCC as put forth by way of argument in their brief, that the cost of common equity capital should not exceed 14 per cent. This argument is advanced even though LUCC witness Logue recommends an 11.8 per cent cost of common equity. For the reasons stated previously LUCC witness Logue's testimony on cost of common equity capital is given no probative value and is abandoned by the LUCC in its own brief. Further, for reasons stated earlier Mr. Benderly's approach is given slightly more probative value than Mr. Logue's testimony but substantially less probative value than Mr. Trawicki's approach. Additionally, Mr. Benderly's updated study provides a bare bones cost of equity capital very close to the top of the range suggested by Mr. Trawicki.

Based upon all the evidence on this issue in the record the commission finds that the cost of common equity capital to be 14 per cent.

Weighted Cost of Capital

Each of the cost factors for both debt and equity capital which have been heretofore determined must be weighted in accordance with the relative status each component bears to the total capital structure. The chart below illustrates the computation of the weighted cost of capital. It utilizes the capital structure and cost factors determined above.

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

	<i>Per Cent</i>		
	<i>Of Total</i>	<i>X Cost</i>	<i>=Weighted Cost</i>
<i>Equity</i>			
Preferred	14.48	7.78%	1.13%
Common	32.58	14.0	4.56
	<hr/>		
	47.06		
<i>Debt</i>			
Short-term	4.74	8.13%	0.39%
Long-term	48.20	8.12	3.91
	<hr/>		
	52.94		
Total	100.00		9.99%

The overall weighted cost of capital for the company by the above computation is 9.99 per cent.

Attrition

[13] The company originally requested a 0.20 per cent attrition factor to help assure that it would earn the rate of return allowed by the commission. The 0.20 per cent attrition factor is the same factor allowed by this commission in the last company rate case and in many other cases. During rebuttal testimony, nearly a year after the original request, the company increased its request for an attrition factor in a range of 0.50 per cent to one per cent. Commission expert witness Trawicki does not recommend an attrition allowance but rather adjusts the dividend yield (in the discounted cash-flow computation of the cost of common equity capital) upwards by a factor of 10 per cent to allow for the costs of financing and market pressure. This adjusts the cost of equity required for capital attraction. Legislative Utility Consumers' Council makes no

argument relative to attrition.

An attrition allowance has, indeed, become commonplace in utility rate case proceedings and such allowance is amply supported by New Hampshire law. See *New England Teleph. & Teleg. Co. v*

Page 158

New Hampshire (1962) 104 NH 229, 44 PUR3d 498; *Chicopee Mfg. Co. v Public Service Co. of New Hampshire* (1953) 98 NH 5, 98 PUR NS 197; *New England Teleph. & Teleg. Co. v New Hampshire* (1973) 113 NH 92, 98 PUR3d 253.

The company alleges that nearly every component of rate base and most expenses will increase faster than, and out of proportion with, future expected revenues. We are dealing here with estimates and projections which are helpful and instructive but do not serve as an exact proxy for the future. The allowance of CWIP in the rate base to some extent offsets the erosion in earnings which might otherwise (that is, without CWIP) be more substantial than in the past.

The parameters of this rate decision are different than others in the past because of the inclusion of CWIP in the rate base. The inclusion of CWIP we think will forestall some of the erosion in earnings which is likely to occur in an expanding company with a large ongoing construction program. The inclusion of CWIP increases the revenue the company can collect annually and this higher annual revenue will to some extent lessen any erosion it might experience. Thus, we reject the company's request for a 0.50 per cent — one per cent attrition factor.

We recognize that the company, however, is in an extraordinary position in its history and development and expansion and that these extraordinary circumstances may create unusually large demands not only for capital but also expenses. Thus, we will allow an attrition factor of 0.20 per cent.

Overall Fair Rate of Return

The cost of capital, 9.99 per cent, and the allowed attrition factor, 0.20 per cent, produce an overall fair rate of return of 10.19 per cent. We find the overall fair rate of return in this proceeding to be 10.19 per cent.

Revenue Requirements

The test-year net operating income of \$29,883,096 has been established in testimony and exhibits and is shown on Exh P-3-D, p. 1 of 2. Since test-year expenses have not been proformed by PSC and since this decision establishes the reasonableness of these expenses there is no alternation in the test-year net operating income as shown on Exh P-3-D.

The function of all of the foregoing calculations is to establish a companywide revenue requirement. This is calculated and reflected simply as the product of the overall fair rate of return times the allowed rate base.

[Equation below may extend beyond size of screen or contain distortions.]

Allowed Companywide Net

Fair Rate of Return × *Rate Base* = *Operating Income Req.*

$$10.19\% \times \$478,833,421 = \$48,793,126$$

The difference between the allowable companywide revenues for the company and its actual net operating income for the historical test-year period is called the revenue deficiency calculated as follows:

[Equation below may extend beyond size of screen or contain distortions.]

$$\begin{array}{l} \text{Companywide Revenue} \\ \text{Companywide} \\ \text{Deficiency Tax Factor} = \text{Revenue Deficiency} \\ \$18,910,030 \quad .49675 \quad \$38,067,499 \end{array}$$

Page 159

The company is obligated to pay the federal government a tax which is more than 50 per cent of its income. Thus, the company must collect more than twice as much as the companywide revenue requirement calculated above to enable it to meet its tax obligation and to allow it to have the use of the revenue found necessary for its operations. The tax effect is computed by dividing revenue requirements by 0.49675, an established tax factor. Thus, the total additional revenue needed by PSC is \$38,067,499 calculated as follows:

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

Companywide Net Operating Inc. Req.	\$48,793,126
Less: Test-year Net Operating Income	29,883,096
Deficiency in Net Operating Income	\$18,910,030

The New Hampshire jurisdictional portion of the revenue requirement must be determined to indicate the revenues PSC is authorized to collect from its New Hampshire retail customers. The percentage relationship between the company request for total electric companywide revenues and New Hampshire jurisdictional revenues is shown on Exh P-6-C, p. 1 of 2 entitled the "Jurisdictional Separation Study." The relationship yields a percentage factor of 79.16 per cent. This means that 79.16 per cent of the total companywide revenue requirements is applicable to New Hampshire. This amount is calculated as follows:

[Equation below may extend beyond size of screen or contain distortions.]

$$\begin{array}{l} \text{Companywide Revenue Percentage New Hampshire} \\ \text{Deficiency} \times \text{Sep. Factor} = \text{Jurisdictional Revenue} \\ \$38,067,499 \quad 79.16\% \quad \$30,134,232 \end{array}$$

We, therefore, find that the company should be allowed to charge rates which will yield an additional \$30,134,232 on an annual basis from New Hampshire retail customers. The following summarizes the computations of the revenue requirement.

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

CALCULATION OF NEW HAMPSHIRE JURISDICTION
REVENUE DEFICIENCY (ANNUAL BASIS)

Total Companywide Net Operating Income
(10.19% rate of return × \$478,833,421 Rate Base)
Less: Test-year net operating income

Net Operating Income before Taxes
Deficiency after taxes
(\$18,910,030 ÷ 49675 tax factor)
New Hampshire Jurisdictional Revenue

Deficiency (\$38,067,499 × 79.16%)

Public Service Company's Requests for Findings and Rulings

The commission rules upon the company's requests for findings and rulings as follows:

The commission grants request Nos. 2, 3, 4, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 35, 37, 42, 44, and 54.

The commission denies request Nos. 28, 34, 36, 45, 46, 47, 48, 49, 50, and 52.

The remaining requests not ruled upon specifically are adequately covered in the report.

Page 160

All requests, petitions, and motions not specifically granted herein are hereby denied.

Our order will issue in accordance with the foregoing report and shall incorporate all of the foregoing report.

Summary of Findings

Test Year:

The commission finds that the test year of the twelve months ended April 30, 1977, is a reasonable actual historical period and standard upon which rates may be based for the future.

Rate Base:

The commission finds that average rate base for the test year ended April 30, 1977, is \$478,833,421 which includes \$111,258,428 of construction work in progress. To the extent that CWIP is included in the rate base, the traditional AFUDC accounting treatment of these funds should cease.

Cost of Long-term Debt:

The commission finds the cost of PSC's long-term or embedded debt to be 8.12 per cent.

Cost of Short-term Debt:

The commission finds the cost of PSC's short-term debt to be 8.13 per cent.

Cost of Preferred Equity:

The commission finds the cost of preferred equity to be 7.78 per cent.

Capital Structure:

The commission finds that a reasonable capital structure is as follows: preferred equity capital of 14.48 per cent; common equity capital of 32.58 per cent; long-term debt of 48.20 per cent; and short-term debt of 4.74 per cent.

Cost of Equity Capital:

The commission finds the cost of equity capital to be 14 per cent.

Attrition:

The commission finds that an attrition allowance of 0.20 per cent is reasonable and will be sufficient (looking prospectively) to offset inflation and to protect against an erosion in PSC's earnings. This finding is made in view of our finding to include CWIP in rate base which will satisfy some problems normally cured by attrition.

Rate of Return:

The commission finds that an overall fair rate of return of 10.19 per cent is just and reasonable, and when applied to the allowed rate base will yield sufficient revenues to enable the company to maintain its credit and attract the necessary capital to meet the increased demands for its services.

Revenue Requirements:

The commission finds that an increase of \$30,134,232 revenues applicable to New Hampshire is just and reasonable and supported upon the record of these proceedings.

Expenses:

The commission finds that the company's expenses for the April 30, 1977,

Page 161

test year, as submitted, and not pro forma, are just and reasonable expenditures incurred in the operation of this company's business.

Tariff Considerations:

The commission finds that the company should submit a proposed tariff filing based upon the revenues found to be just and reasonable in this decision and that the company should also submit for further consideration by the commission a detailed proposal regarding rates for elderly citizens excluding the CWIP component which is authorized herein. Our order will issue accordingly.

Supplemental Order

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

Ordered, that tariff, NHPUC No. 21 — Electricity, be, and hereby is, rejected effective upon the application of tariff, NHPUC No. 22 — Electricity; and it is

Further ordered, that in accordance with the rate increase authorized by this report, Public Service Company of New Hampshire file a new tariff, NHPUC No. 22 — Electricity, including present fuel surcharge provisions, setting forth therein new basic rates designed to produce an annual increase in gross revenue of \$30,134,232 in lieu of the \$27,017,520 increase provided by tariff, NHPUC No. 21 — Electricity; such new increase to be proportionately applied in the same manner as Tariff No. 21 insofar as it is reasonably practical; and it is

Further ordered, that tariff, NHPUC No. 22 — Electricity, 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 June 1, 1978; and it is

Further ordered, that all revenues heretofore collected under bond be, and hereby are, released from bond; and it is

Further ordered, that the company file with this commission an estimate of the total amount to be collected by surcharge, consisting of the difference between the rates collected under bond and the amount authorized herein, plus rate case expense (estimated and subject to final determination); and the manner in which it proposes to make such collection, final approval of which will be included in a supplemental order; and it is

Further ordered, that the company submit for further consideration by the commission a residential rate provision designed to exempt the elderly from charges associated with the support of construction work in progress (CWIP) as authorized in this report; and it is

Further ordered, that Public Service Company of New Hampshire give public notice of the changes reflected in tariff, NHPUC No. 22 — Electricity, by a onetime publication in a newspaper having general circulation in the territory served by the company; and it is

Further ordered, that Public Service Company of New Hampshire give notice to its customers by means of appropriate bill inserts in the customers' bill reflecting the rates set forth in tariff, NHPUC No. 22 — Electricity.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of May, 1978.

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NH.PUC*05/31/78*[78071]*63 NH PUC 163*Brotherhood of Locomotive Engineers

[Go to End of 78071]

Re Brotherhood of Locomotive Engineers

DT 78-33, Order No. 13,163

63 NH PUC 163

New Hampshire Public Utilities Commission

May 31, 1978

PETITION for an order cancelling commission approval of a lease agreement; granted.

CONTRACTS, § 4 — Lease approval — Revocation.

[N.H.] The commission granted petitioner's request for revocation of approval of a lease agreement where the commission found that the property subject to the lease contained a segment of main line track and was thus subject to the exclusive jurisdiction of the Interstate Commerce Commission.

BY THE COMMISSION:

Order

Whereas, on February 27, 1978, a request was filed with this commission for approval of a certain lease agreement between the B&M Corporation and Goodwin Railroad, Inc.; and

Whereas, pursuant to RSA 374:29 this commission issued Order No. 13,075 approving the said lease agreement without a public hearing thereon; and

Whereas, on March 20, 1978, a petition was filed by the Brotherhood of Locomotive Engineers, requesting a public hearing on the matter of approving the forementioned lease; and

Whereas, on May 17, 1978, a petition to revoke and cancel Order No. 13,075 was filed by Robert W. Meserve and Benjamin A. Lacy, trustees of the property of the Boston and Maine Corporation; and

Whereas, said petition raised a question of jurisdiction, in that any railroad property containing a segment of main line track is subject to the sole jurisdiction of the Interstate Commerce Commission; and

Whereas, the Boston and Maine Corporation acknowledges in their petition filed on May 17, 1978, that said property in question and subject to the lease agreement does in fact contain a segment of main line track of Northern Railroad and for good cause being shown; it is

Ordered, that the original request of Boston & Maine Corporation dated March 17, 1978, to approve the lease agreement between them and Goodwin Railroads, the petition for a public hearing filed by the Brotherhood of Locomotive Engineers and filed March 20, 1978, and the petition by Boston & Maine Corporation to revoke and cancel Order No. 13,075, are hereby consolidated into docket DT 78-33.

It is further ordered that Order No. 13,075 is hereby revoked and cancelled, and the petition filed by the Brotherhood of Locomotive Engineers now being moot is hereby dismissed.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of May, 1978.

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NH.PUC*05/31/78*[78072]*63 NH PUC 164*Golden Brook Water System, Inc.

[Go to End of 78072]

Re Golden Brook Water System, Inc.

DE 77-38, Order No. 13,164

63 NH PUC 164

New Hampshire Public Utilities Commission

May 31, 1978

PETITION for a rate increase; granted as modified.

1. VALUATION, § 38 — Value of utility plant — Sales price.

[N.H.] The commission declined to value a utility's plant on the basis of sales price, noting that the figure was based on fair market value of replacement cost, and instead valued the plant on the basis of its original installation cost less depreciation. Pg. p. 165.

2. VALUATION, § 251 — Contributions in aid of construction — Exclusion from rate base.

[N.H.] Contributions in aid of construction were excluded from a water utility's rate base. p. 165.

3. SERVICE, § 288 — Meters — Water utility.

[N.H.] The commission found a water utility's plan to install water meters at all premises desirable and in the public interest and required the company to submit a detailed installation schedule. p. 166.

4. RATES, § 608 — Swimming pools — Rates.

[N.H.] The commission found that rates should be established for those customers of a water utility with swimming pools and that the company should provide information in the tariff regarding the manner and times at which such filings may be made. p. 166.

5. RATES, § 604 — Size of service pipe — Rates.

[N.H.] The commission stated that there should be no diversity in a water utility's rates based on differing service pipe sizes. p. 166.

APPEARANCES: James A. Sayer, Jr. for the petitioner; J. Michael Love for the Legislative Utilities Consumers' Council; Margaret Case pro se and Kenneth Ochsner pro se.

BY THE COMMISSION:

Report

By petition filed March 25, 1975, Golden Brook Water System, Inc., of Windham, New

Hampshire sought the authority to operate as a public utility in a granted franchise area and to have a certain water rate authorized for its operations. A duly noticed hearing was held at the office of the commission on May 4, 1977.

Order No. 12,786 issued on June 10, 1977, granted the company the authority to operate as a public utility pursuant to RSA 362:4 in a limited area of the town of Windham, New Hampshire.

This report will address the issue of rates. The company requested annualized rates for 1978, of \$10,571.

History

This water company was formed on or before 1967, by Mr. George H. Armstrong, who operated the same until sometime in 1976, when the assets of the company were transferred to Golden Brook Water Systems, Inc. The stockholders of the corporation are listed as George H. Armstrong and his sons, Gary Armstrong and Alan Armstrong. The application was filed on March 25, 1977, and seeks to operate as a public utility in a granted franchise area and to have reasonable rates established and authorized for its operation. The company seeks rates for 1978 of \$10,571.

Page 164

It is noted that the commission's records indicate that there were repeated efforts by the staff urging the company to comply with the appropriate statute and make application for authority to operate as a public utility; which efforts finally resulted in the filing of this petition in 1977. This conduct of the company in failing to timely file with the commission is not condoned and in the future the commission will expect its requirements to be diligently met.

Rate Base

[1] The petitioner submitted Exh 5A which showed the average gross plant for 1977 listed as \$40,000, said sum corresponding to the sales price for the company by Mr. Armstrong to the petitioner. The commission finds that the figure of \$40,000 is not accepted for rate base in that this figure is based on fair market value or replacement cost. It was established by staff that the original installation cost was \$19,440 as evidenced by Mr. Armstrong's federal income tax return for 1976. Historically the commission has used the original installation cost over the fair market value or replacement cost to avoid a so-called stepped-up basis. Therefore the commission accepts the original installation cost of \$19,440 less depreciation as a starting point.

Having accepted the figure of \$19,440 the commission has deducted depreciation at an annual depreciation percentage of 2.80 per cent as set forth in petitioner Exh 4 entitled pro forma schedule of expenses for December 31, 1977, 1978, and 1979, or the sum of \$3,174.

[2] In addition petitioner Exh 5A does not reflect any contributions in aid of construction. However, Mr. Armstrong's response to data requested by staff indicates the \$14,000 of the original installation cost was contributed by customers at no cost to the company. (See letter dated April 21, 1978.) Since there was no cost to the company for the sum, the commission does not allow some in this case to compute rate base.

The commission accepts the working capital as set forth in Exh 5A in the sum of \$1,570.

The commission adopts the sum of \$3,836 as the rate base which sum was computed as follows:

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

\$19,440.00	Average Gross Plant
less 3,174.00	Average Accumulated Depreciation
less 14,000.00	Contribution in Aid of Construction
plus 1,570.00	Working Capital
<hr/>	
\$ 3,836.00	Total Rate Base

Cost of Capital

As shown by Exh 5A, the company's cost of capital was 9.1 per cent as filed. No attrition allowance was requested. Hence the commission will accept the company's cost of capital at 9.1 per cent.

Expense

There were no actual expenses submitted for 1976, but Exh 4 shows pro formed 1977 expenses which the commission will accept as adjusted hereafter.

The pro formed expenses for 1977, included \$4,710 for operation and maintenance. The makeup of this amount was questioned to a substantial degree, but in lieu of any strongly supported alternatives, the commission will accept same. In the future this item should be substantially documented.

Page 165

The amount requested for depreciation in the sum of \$867 is reduced to \$562. The basis for this reduction is a result of the commission adopting the aforementioned sum of \$19,440 as the starting point for rate base and dividing same by an average annual depreciation percentage of 2.89 per cent.

The tax expenses for 1977 of \$136 plus \$100 for New Hampshire taxes for a total tax expense of \$236 is accepted.

The amortization expense of \$921 is also accepted.

Interest expense is allowed in the sum of \$495. Exhibit 5A reflected a long-term debt of \$37,962 at 9 per cent. The debt was a mortgage securing the note used by the petitioner to purchase the system from George H. Armstrong. As previously discussed under rate base, the commission does not accept the stepped-up cost of plant. In this case annual interest is computed by accepting the cost or basis of the water system as \$19,440 and deducting therefrom the sum of \$14,000 which represents contributions in aid of construction resulting in the sum of \$5,440. By multiplying the sum of \$5,440 by 9.1 per cent a yield of \$495 is produced.

Revenue Requirement

The total adjusted revenue requirement is \$6,924 which sum is summarized as follows:

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

Operation and Maintenance	\$4,710
Depreciation	562

Tax Expense	236
Amortization	921
Interest Expense	495
	\$6,924

In computing the rate to customers, the tariff should be based on the number of customers as of December 31, 1977.

Tariff Terms and Conditions

[3] The company proposed in its filing to provide both metered and unmetered rates, and further proposes to install water meters at all premises by April 1, 1980. We find that proposal desirable and in the public interest, and will require the company to submit to this commission a detailed installation schedule which will assure that they will be installed on a reasonably consistent schedule between the date of this order and the scheduled completion date.

The proposed filing includes (Original Page 10, Section 11.b.) a termination notification schedule which is not consistent with the rules and regulations promulgated by the commission; accordingly, the company is directed to make such tariff changes as are necessary to conform to these rules and regulations.

Rate Schedules

[4] Testimony was received relative to the existence of swimming pools in the franchised area, and it was noted that the tariff contains no provisions either for allowing for the filling of such pools or for the establishing of rates if such an allowance is made. We find that in consideration of those ratepayers who do not have swimming pools, rates should be established for such pools, and that in consideration of the impact that such fillings will have on system operations, the company should provide specific reference in the tariff as to the manner and times at which such fillings are made.

[5] Reference was made at the hearing to initial charges for service being predicated on the size of a customer's service pipe. The format of the tariff page (Original Page 18) is such as to suggest that different rates would apply to different sized services. The company did not provide for such different sizes, however, and testimony from the com-

Page 166

pany president revealed no logic in doing so. We concur in the belief that in this tariff there should be no diversity in rates based on differing service pipe sizes.

Testimony by the company president revealed that while metered rates are of necessity based on service already used, the proposed unmetered rates are to be based prospectively on future use. We do not object to that billing method and it is consistent with the policies of many other similar utility companies. We believe, however, that such intent should be specifically noted in the tariff to eliminate customer misunderstanding. We also believe, and find, that should the company decide to bill unmetered service in advance, they should include a tariff provision for prorating payments to those customers who terminate service before the quarterly period ends.

Order

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

Ordered, that tariff NHPUC No. 1 of Golden Brook Water Company be, and hereby is, with the following exceptions, accepted; and it is

Further ordered, that Original Pages 10, 17, and 18 of said tariff be, and hereby are, rejected; and it is

Further ordered, that new tariff pages be submitted to incorporate the additional terms and conditions as are directed in the report attached hereto; and it is

Further ordered, that new tariff pages for metered and unmetered service be submitted which will provide additional revenues in the amount of \$6,924, such increases to be distributed in the same manner as those proposed in the original submission; and it is

Further ordered, that provisions be included in the rate schedules and terms and conditions to reflect the use of swimming pools, and that the revenues resulting from those rate schedules shall be considered a part of, and not in addition to, the additional revenue requirements authorized herein; and it is

Further ordered, that the revised tariff pages will be given further consideration by this commission, and that final approval of such pages shall be in the form of a supplemental order of the commission.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of May, 1978.

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NH.PUC*05/31/78*[78073]*63 NH PUC 167*Connecticut Valley Electric Company, Inc.

[Go to End of 78073]

Re Connecticut Valley Electric Company, Inc.

DR 78-72, Order No. 13,165

63 NH PUC 167

New Hampshire Public Utilities Commission

May 31, 1978

PETITION of electric company seeking rate increase; suspended pending commission investigation.

Page 167

BY THE COMMISSION:

Order

Whereas, Connecticut Valley Electric Company, Inc., a public utility engaged in the business

of supplying electric service in the state of New Hampshire, on May 8, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 4 — Electricity, providing for a 5 per cent increase in annual revenues amounting to an increase of \$272,187, filed for effect June 9, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Second Revised Pages 19, 21, 25, 28, 32; and Third Revised Pages 20, 23, 24, 30, 31; Supplement No. 1, Second Revised Page 1, and Supplement No. 2, Second Revised Page 1 of tariff, NHPUC No. 4 — Electricity, of Connecticut Valley Electric Company, Inc. be and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of May, 1978.

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NH.PUC*05/31/78*[78074]*63 NH PUC 168*Manchester Gas Company

[Go to End of 78074]

Re Manchester Gas Company

DF 78-76, Order No. 13,166

63 NH PUC 168

New Hampshire Public Utilities Commission

May 31, 1978

PETITION for authority to issue a stock dividend; granted.

SECURITY ISSUES, § 101 — Stock dividends — Gas company.

[N.H.] The commission approved a stock dividend, at the rate of three additional shares for each 100 presently held, where it found the payment of the dividend to be consistent with the public good and in conformity with state law.

BY THE COMMISSION:

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 19, 1978, represents that as of March 31, 1978, 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	\$1,144,090
228,818 shares its par value issued	
Capital surplus	380,712
Retained earnings	1,760,763
	<u>\$3,285,565</u>

and

Whereas, the company proposes to issue no more than 6,864 common shares identical to the present common shares

Page 168

issued and outstanding to present stockholders, at a rate of three additional shares for each 100 shares presently held; and

Whereas, the company asserts that it will be able to pay dividends at the current annual rate of 70 cents 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 3 per cent; and

Whereas, the company alleges that stockholders entitled to fractional shares will be paid, in cash, on the basis of a value of \$8 per share, the quoted bid price as of the declaration date, March 22, 1978; and

Whereas, the company proposes that the record date for payment of this stock dividend will be the later of June 16, 1978, or ten days subsequent to the date of approval of the proposed dividend by this commission, and the company further proposes that the payment date will be fourteen 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, both of which are dated as of March 31, 1978, and the company has further filed as an exhibit a copy of the corporate vote authorizing said 3 per cent stock dividend, which vote was adopted at a meeting of the directors of the company held on March 22, 1978; 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 shares of \$5 par value common stock for each 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 \$8 per common share; and it is

Further ordered, that within thirty 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 thirty-first day of May, 1978.

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NH.PUC*05/31/78*[78075]*63 NH PUC 169*Hudson Water Company

[Go to End of 78075]

Re Hudson Water Company

DF 78-61, Order No. 13,167

63 NH PUC 169

New Hampshire Public Utilities Commission

May 31, 1978

PETITION for authority to sell stocks and bonds; granted.

Page 169

SECURITY ISSUES, § 58 — Securities sale — Additions and betterments.

[N.H.] The commission granted a water company authority to issue and sell first mortgage bonds and common stock, noting that the proceeds of the sale would be used to retire short-term indebtedness, to finance future purchases and construction, and to replenish working capital.

APPEARANCES: J. Christopher Marshall for the petitioner; and J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

By this petition filed May 8, 1978, Hudson Water Company, a corporation duly organized and existing under the laws of the state of New Hampshire and operating as a water public utility in the towns of Hudson and Litchfield under the jurisdiction of this commission, seeks authority pursuant to the provisions of RSA 369 to issue and sell for cash at par \$800,000 principal amount of first mortgage bonds, Series D 9.375 per cent, due 1998, to issue short-term notes not in excess of \$800,000 and to issue 1,000 shares of \$100 par value common stock for \$250 per shares or \$250,000 in cash.

At the hearing on the petition, held in Concord on May 24, 1978, a company witness testified that the proceeds of the issues would be used to retire short-term indebtedness due in 1978, to finance a portion of the additions to plant and property budgeted in 1978, and to replenish working capital. The company proposes to place the bonds privately with Union Mutual Life

Insurance Company. The common stock would be sold for \$250 per share to Consumers Water Company, its only stockholder.

The following is the balance sheet, as of December 31, 1977, pro formed to reflect the issues.

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

Assets	Actual	Pro Forma	
		Adjustment	Pro Forma
Property, Plant and Equip.	\$3,341,576	—	\$3,341,576
Less: Accumulated Depreciation	300,860	—	300,860
Net Utility Plant	\$3,040,716	—	\$3,040,716
Current Assets:			
Cash	86,513	\$ 151,000	237,513
Accounts Receivable	85,482	—	85,482
Unbilled Revenue	14,871	—	14,871
Materials and Supplies	66,136	—	66,136
Prepayments	5,024	—	5,024
Total Current Assets	\$ 258,026	\$ 151,000	\$ 409,026
Deferred Debits:			
Unamortized Debt Deferred	20,806	29,000	49,806
Unamortized Rate Case Expenses	8,412	—	8,412
Other	79,928	—	79,928
Total Deferred Debits	\$ 109,146	\$ 29,000	\$ 138,146
Total Assets	\$3,407,888	\$ 180,000	\$3,587,888
Liabilities & Capital			
Common Stock	\$ 285,000	\$ 250,000	\$ 535,000
Reinvested Earnings	435,786	—	435,786
Total Common Equity	\$ 720,786	\$ 250,000	\$ 970,786

Assets	Actual	Pro Forma	
		Adjustments	Pro Forma
Long-term Debt:			
First Mortgage: Series A, 5 1/2%	\$ 190,000	—	\$ 190,000
First Mortgage: Series B, 7%	262,400	—	262,400
First Mortgage: Series C, 8%	315,000	—	315,000
First Mortgage: Series D, 9 3/8%	—	800,000	800,000
Total Long-term Debt	\$ 767,400	\$ 800,000	\$1,567,400
Current Liabilities:			
Short-term Debt	870,000	(870,000)	—
Accounts Payable	122,518	—	122,518
Accrued Taxes	15,284	—	15,284
Accrued Interest	12,885	—	12,885
Other	8,735	—	8,735
	\$1,029,422	\$(870,000)	\$ 159,422
Customer Advances	609,297	—	609,297
Contributions in Aid of Con.	185,431	—	185,431
Deferred Federal Income Invest.	—	—	—
Tax Credit	95,552	—	95,552
	\$ 890,280	—	\$ 890,280
Total Liabilities & Capital	\$3,407,888	\$ 180,000	\$3,587,888

In addition, the company has petitioned to extend its short-term borrowing authority previously granted by this commission by Order No. 12,846 in the amount of \$800,000. The company witness testified that it was more economical to borrow short term until approximately \$800,000 can be converted to bonds. It was further testified that additional short-term funds would be needed to finance the ongoing construction program.

Upon consideration of the evidence submitted, the commission is satisfied that the proceeds herein will be used for the purposes herein listed above. The commission finds that the issuance of \$800,000 first mortgage bonds, Series D 9.375 per cent maturing in 1998, and 1,000 shares of \$100 par value common stock, is consistent with the public good. The authority to issue short-term notes in an amount not to exceed \$800,000 will also be approved. Our order authorizing the issue and sale of these securities will issue accordingly.

Order

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

Ordered, that Hudson Water Company be, and hereby is, authorized to sell and issue for cash \$800,000 of its first mortgage bonds, Series D, 9.375 per cent at par, such bonds 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 Hudson Water Company be, and hereby is, authorized to issue and sell for cash 1,000 shares of its \$100 par value common stock for \$250 to Consumers Water Company, its only stockholder, such shares 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 Hudson Water Company, without first obtaining the approval of this commission be, and hereby is, authorized to, from time to time, issue and sell for cash, and renew its short-

Page 171

term note or notes, payable less than twelve months from the date thereof, in the aggregate principal amount not in excess of \$800,000 said note or notes to bear interest at a rate not in excess of one per cent above the prime rate of interest; and it is

Further ordered, that Hudson Water Company be, and hereby is, authorized to mortgage its present and future property 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 for one or more of the following purposes; to retire its outstanding short-term indebtedness, to finance future purchases and construction of such property and facilities and to replenish working capital; and it is

Further ordered, that on January 1st and July 1st in each year, Hudson Water 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 thirty-first day of May,

1978.

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NH.PUC*06/05/78*[78076]*63 NH PUC 172*Municipal Electric Department of Wolfeboro

[Go to End of 78076]

Re Municipal Electric Department of Wolfeboro

DE 78-57, Order No. 13,173

63 NH PUC 172

New Hampshire Public Utilities Commission

June 5, 1978

PETITION for authority to install and maintain a submarine electric cable; granted.

ELECTRICITY, § 7 — Submarine transmission cable — Authorization.

[N.H.] The commission granted a municipal electric department authority to install and maintain a submarine electric cable where it found the proposal necessary to meet the reasonable requirements of the public and further, that the license could be exercised without substantially affecting public rights.

BY THE COMMISSION:

Order

Whereas, by petition filed April 28, 1978, Municipal Electric Department of Wolfeboro seeks a license pursuant to RSA 371:17-20 to construct and maintain a submarine cable under Lake Wentworth in the town of Wolfeboro; and

Whereas, the petition represents that the proposed construction will cross approximately 1,800 feet of the lake from private property of Virginia Davenport in the town of Wolfeboro to private property of Virginia Davenport on Bass Island and provide service to the said party; and

Whereas, following due notice no

Page 172

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 that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights and waters crossed; it is

Ordered, that a license be, and hereby is, granted to Municipal Electric Department of Wolfeboro to install and maintain a submarine cable under Lake Wentworth in the town of Wolfeboro, 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 fifth day of June, 1978.

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NH.PUC*06/05/78*[78077]*63 NH PUC 173*Public Service Company of New Hampshire

[Go to End of 78077]

Re Public Service Company of New Hampshire

DR 77-49, 12th Supplemental Order No. 13,174

63 NH PUC 173

New Hampshire Public Utilities Commission

June 5, 1978

ORDER amending prior order.

BY THE COMMISSION:

Supplemental Order

Whereas, certain pages of the report dated May 25, 1978, have been corrected; and

Whereas, Par 5 of the 11th Supplemental Order No. 13,162 provided for a surcharge "consisting of the difference between rates collected and the amount authorized herein" and

Whereas, such a surcharge is allowed only when a temporary rate order has been in effect during the proceeding. See *New England Teleph. & Teleg. Co. v New Hampshire* (1949) 95 NH 515, 82 PUR NS 296; it is

Ordered, that pp. 25, 26, 41, 44, 60, and 61 be replaced by corrected pp. 25, 26, 41, 44, 60, and 61; and it is

Further ordered, that Par 5 of the 11th Supplemental Order No. 13,162 be amended to read as follows:

"that the company file with the commission an amount of rate case expense to be collected by surcharge (estimated and subject to final determination); and the manner in which it proposes to make such collection, final approval of which will be included in a supplemental order."

By order of the Public Utilities Commission of New Hampshire this fifth day of June, 1978.

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NH.PUC*06/08/78*[78078]*63 NH PUC 174*New England Telephone and Telegraph Company

[Go to End of 78078]

Re New England Telephone and Telegraph Company

DE 78-67, Order No. 13,178

63 NH PUC 174

New Hampshire Public Utilities Commission

June 8, 1978

PETITION for authority to place and maintain an aerial electric cable; granted.

TELEPHONES, § 2 — Aerial cable — Authorization.

[N.H.] The commission granted a telephone company authorization to place and maintain an aerial cable on a state-owned right of way where it found that the proposed construction was necessary to meet the reasonable needs of the public and that the license sought may be issued and exercised without substantially affecting public rights.

BY THE COMMISSION:

Order

Whereas, by petition filed May 12, 1978, New England Telephone and Telegraph Company seeks a license, pursuant to RSA 371:17-20, to place and maintain aerial cable on state-owned railroad right of way in Northfield, New Hampshire; and

Whereas, the petitioner represents that the proposed plant will run from New England Company pole number 30/79 within railroad right of way to New England Company pole number 30/80 within highway limits, a total of 65 feet, and is designed to provide for present and future telephone service requirements in the New England Company's Tilton exchange; 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 that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights; it is

Ordered, that a license be, and hereby is, granted to New England Telephone and Telegraph Company to place and maintain an aerial cable on state-owned railroad right of way in the town of Northfield, 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 eighth day of June, 1978.

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NH.PUC*06/09/78*[78079]*63 NH PUC 175*New England Telephone and Telegraph Company

[Go to End of 78079]

Re New England Telephone and Telegraph Company

DF 78-82, Order No. 13,180

63 NH PUC 175

New Hampshire Public Utilities Commission

June 9, 1978

PETITION for authority to issue notes; granted.

SECURITY ISSUES, § 48 — Authorization of securities sale — Telephone company.

[N.H.] The commission granted a telephone and telegraph company authority to issue five-year notes so that the company could discharge outstanding unsecured short-term obligations.

APPEARANCES: McLane, Graf, Greene, Raulerson and Middleton, Peter Guenther appearing for the petitioner; and J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

By this petition filed May 26, 1978, New England Telephone and Telegraph Company, a corporation duly organized and existing under the laws of the state of New York and operating a communication utility under the jurisdiction of this commission seeks, pursuant to RSA 369, authority to issue \$100 million of notes maturing within five years, to bear interest at a rate not to exceed 8.75 per cent per annum.

The petitioner through its witnesses requested the authorization sought herein was filed pursuant to proper resolutions of the board of directors, copies of which have been filed as Exh 1 of the petitioner, 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 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 moneys temporarily by means of advances from American Telephone and Telegraph Company, payable twelve months after date or prior thereto on demand, commercial paper with maturity at time of issuance of not more than nine months, and bank loans with dates of maturity for specified period up to twelve months after the date, or less time at the option of the company, or has expended from its treasury moneys other than moneys obtained from the issue of securities.

As a part of its Exh 4 the company submitted evidence of its securities outstanding as of

March 31, 1978.

As of March 31, 1978, the company had outstanding unsecured short-term obligations in the aggregate amount of \$103 million, the proceeds of which have been used for corporate purposes as aforesaid in the five states in which the company operates. It is estimated that, unless refunded or repaid from the proceeds of the notes or of other perma-

Page 175

nent securities, the amount of such outstanding short-term obligations would be increased to approximately \$135 million by June 30, 1978.

The applicant submits that the proceeds of the debt obligations will be applied toward repayment and discharge of unsecured short-term obligations outstanding at the time said proceeds are available, and the balance, if any, of such proceeds, will be used for such lawful corporate purposes as need therefor arises. A pro forma balance sheet, before and after completion of the proposed financing, was submitted as a part of Exh 5.

Following the hearing applicant proposes to issue and place, an aggregate principal amount of \$100 million of notes maturing in three years, with interest thereon at the rate of 8.75 per cent. The notes will be substantially in the form submitted as Exh 2 of the application.

The commission, upon consideration of the evidence submitted, is satisfied that the issuance and placement of the notes proposed herein 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 New England Telephone and Telegraph Company be and it hereby is authorized, insofar as said issue pertains to property or expenditures in the state of New Hampshire, to issue and sell for cash up to an aggregate principal amount of \$100 million of notes with three-year maturity dates, with interest thereon at the rate of 8.75 per cent; and it is

Further ordered that the proceeds from the sale of said notes will be used for the purpose of repaying and discharging outstanding short-term obligations, 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 notes herein authorized, a detailed statement, duly verified by an officer, showing the actual terms of issuance and the disposition of the proceeds of the securities authorized herein, and thereafter a similar statement as of January 1st and July 1st 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 ninth day of June, 1978.

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NH.PUC*06/12/78*[78080]*63 NH PUC 176*Birchview by the Saco, Inc.

[Go to End of 78080]

Re Birchview by the Saco, Inc.

DE 74-126, Order No. 13,182

63 NH PUC 176

New Hampshire Public Utilities Commission

June 12, 1978

PETITION for authority to operate as a public water utility; granted.

Page 176

1. SERVICE, § 479 — Pressure problems — Corrective measures.

[N.H.] Where a company witness testified as to the pressure problems a water utility was experiencing the commission found that the company should take immediate action to install pressure reducing facilities at the problem locations. p. 177.

2. SERVICE, § 473 — Emergency notification procedures — Water company.

[N.H.] The commission found that it would be in the interests of a water company's customers to require the utility to include with the next bill mailing a one-time notice of their emergency notification procedures. p. 178.

3. CERTIFICATES, § 88 — Operation as water utility — Authorization.

[N.H.] The commission authorized a water company to operate as a public utility where it found that there was a need for the service, that the company had the ability to furnish the service, and that granting the requested permission would be in the public interest. p. 178.

APPEARANCES: Carleton F. Bacon, president, and R. Raiche, certified public accountant, for the petitioner.

BY THE COMMISSION:

Report

On January 15, 1973, this commission became aware that Birchview by the Saco, Inc. was furnishing water to over 30 chalets in the town of Bartlett, New Hampshire. On January 18, 1973, this commission initiated action to determine their status as a public utility under RSA 362:4. On July 1, 1974, the company filed a petition requesting authority to operate as a public utility in a limited area in the town of Bartlett. Requests to the company for information on various matters, including the design approval by the Water Supply and Pollution Control Commission, were made by staff in the ensuing period, and on April 10, 1978, an order of notice for hearing was issued. A hearing was held at the commission offices on June 6, 1978. The company presented two witnesses; the company president, Carleton F. Bacon and the company

CPA Raymond Raiche.

In consideration of its tariff, the company asked for annual unmetered rates of \$75 per customer, which is the same as it has been collecting since 1973. The very nature of an existing corporation coming under our jurisdiction for the first time makes it difficult to precisely set forth items of investment, expenses, allocations, etc. according to our procedure. We are satisfied that rates of \$75 per year will not result in excessive earnings to the company.

In accordance with statutory requirements, this system has been installed under the supervision of the New Hampshire Water Supply and Pollution Control Commission. The source of supply is a ground well, with a 30,000 gallon storage tank and a 12,000 gallon pressure tank. The main lines are second- and third-inch PVC pipe. The system is built to provide service year round.

The company submitted two exhibits at the hearing which portrayed the specific plan of the development and the limits of the franchised area. Testimony revealed that the company will not supply water to any customer not located on those plans.

[1] The company president testified to certain pressure problems anticipated in certain lots and to its consideration of future plans to install pressure relief valves as overpressure problems occur. It is our belief that both the company and its customers will profit from a more responsive program of preventative maintenance, and we find that the com-

Page 177

pany should take immediate action to install pressure reducing facilities at that location prior to August 1, 1978.

[2] The company testified to the availability of company personnel to be notified in case of emergency, and gave assurance that all present customers are familiar with the methods by which they should be contacted. We find that it would be in the interests of present customers for the company to provide a one-time mailing of their emergency notification procedures to be included with the mailing of the next bills, and that similar procedures should be provided to any new customers making application for water service. Updated copies should be maintained and provided to this commission.

The company proposes to bill its customers on a prospective basis; that is, bills will be rendered annually, in December, for water to be used in the following year. This is consistent with the manner in which other water utilities of similar size are operating, and we do not object to the policy.

[3] The company has filed a proposed tariff, NHPUC No. 1 — Water. From an analysis of the testimony, and data furnished by the petitioner, the commission is satisfied that there is a need for the proposed service; that the company has the financial ability to furnish the service, and that the granting of the petition will be in the public interest, and therefore, for 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 Birchview by the Saco, Inc. be, and hereby is, authorized to operate as a water utility in a limited area in the town of Bartlett, bounded and described as follows:

Lying northerly of the Saco river:

Beginning at an iron pipe of the southerly side of the road leading to the old abandoned CCC camp on the westerly line of land now or formerly of one Zumstein, and at the northeasterly corner of the first parcel conveyed by said Cannell to Richard T. Mannion by deed dated December 12, 1960, recorded in Carroll county records, Book 349, p. 141 (said point of beginning being located north 9 degrees west 78 feet from an iron pipe at the southwesterly corner of land now or formerly of said Zumstein on the northerly side of Saco river); thence running northerly across said road 20 feet to an iron pipe on the northerly side thereof, and on northerly by a painted line about 1,400 feet to a monument at the easterly end of a painted line (said course being supposed to separate this parcel from adjoining land on the east now or formerly owned by said Zumstein); thence turning and running westerly by a painted line about 1,950 feet (said line separating the parcel hereby described from adjoining land on the north supposed to be owned by Saunders and Greene) to a monument on the northerly end of a painted line running southerly thence running southerly by a painted line about 1,850 feet to the northerly side of said old road, and on in the same course to an iron pipe on the southerly side of said road (said course dividing the parcel hereby described from adjoining land on the west supposed to be owned by Percy Chandler); thence running easterly and northeasterly by the southerly side of said old road 2,385 feet to the bound begun at the southerly side of said old road evidencing the northerly line of the

Page 178

first parcel conveyed to Mannion by deed above mentioned.

Saving, excepting, and reserving from this conveyance that one acre parcel conveyed by said Cannell to said Mannion as the second parcel in deed above mentioned.

Expressly included in this conveyance is that right of way 25 feet in width adjoining land now or formerly of said Zumstein crossing the one acre parcel conveyed by said Cannell to said Mannion, and also that right of way over the old logging road crossing near the middle of the one acre parcel conveyed by said Cannell to said Mannion, all as more particularly reserved in said deed from said Cannell to Mannion.

Also excepting and reserving the right of way over said old road to the abandoned CCC camp of the adjoining owner or owners of the so-called Percy W. Chandler property.

Meaning and intending the premises conveyed to Raymond M. Cannell by deed of G.K. Howard dated May 21, 1925, recorded in Carroll County Registry of Deeds in Book 174, p. 51, *excepting so much* of the same as was conveyed to said Mannion by deed above mentioned and subject to easement to White Mt. Power Company. and it is

Further ordered, that retroactive to January 1, 1978, the company maintained its records in accordance with the New Hampshire Public Utilities Commission specified chart of accounts for water utilities; and it is

Further ordered, that the company submit a revised depreciation rate for each class of fixed assets which is more in line with the guidelines utilized by the Internal Revenue Service; and it is

Further ordered, that its tariff, 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 it is

Further ordered, that the company investigate the need for pressure relief facilities for its system, and take corrective action to install such equipment as necessary prior to August 1, 1978; and it is

Further ordered, that emergency reporting procedures be instituted and distributed as specified in the report attached hereto.

By order of the Public Utilities Commission of New Hampshire this twelfth day of June, 1978.

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NH.PUC*06/13/78*[78081]*63 NH PUC 179*New England Power Company

[Go to End of 78081]

Re New England Power Company

DF 78-59, Order No. 13,184

63 NH PUC 179

New Hampshire Public Utilities Commission

June 13, 1978

PETITION for authority to issue bonds; granted.

Page 179

SECURITY ISSUES, § 58 — Capitalization — Additions and betterments.

[N.H.] The commission authorized an electric utility to issue and sell for cash general and refunding mortgage bonds and required that the proceeds be applied to uncapitalized additions to plant and other uncapitalized expenditures.

APPEARANCES: Robert King Wulff for the petitioner; and Larry S. Eckhaus, financial analyst for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

The petition, filed May 5, 1978, by New England Power Company (the "company") seeks authority to issue additional general and refunding mortgage bonds and additional first mortgage bonds. At the hearing on the petition, held at the commission's offices on May 25, 1978, 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 6,449,896 shares of common stock at a par value of \$20 per share, 860,280 shares of preferred stock at a par value of \$100 per share, 1 million shares of preferred stock at a par value of \$25 per share, and general and refunding mortgage and first mortgage bonds, (excluding \$11 million principal amount of Series B first mortgage bonds which mature July 1, 1978), consisting of:

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

First Mortgage Bonds:	\$ 50,000,000
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 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 R, 7 5/8%, due 2003	25,000,000
Series S, 8 5/8%, due 2003	40,000,000
Series T, 8 3/8%, due 2003	40,000,000
Series U, 10 7/8%, due 2005	77,600,000
	\$421,600,000

At December 31, 1977, the company also had outstanding short-term notes in the aggregate principal amount of \$44,325,000.

The company proposes to issue \$50 million principal amount of general and refunding mortgage bonds, Series B, (the "Series BG&R bonds") under and pursuant to the terms of the company's general and refunding mortgage indenture and deed of trust (the "G&R indenture") dated as of January 1, 1977. The proposed Series B bonds will mature in not more than thirty years from the date

as of which they are issued. The bonds will bear such interest rate and will be disposed of at such price as will be determined after publication of an invitation for bids for purchase thereof. Said general and refunding mortgages, subject to the lien of the company's indenture of trust and first mortgage, dated as of November 15, 1936, and supplements thereto (the "first mortgage indenture"), all its property, assets, and franchises (except property of the character specifically

reserved to the company in the general and refunding indenture). The G&R indenture also obligates the company so long as any of its first mortgage bonds, Series B through P and R through U, are outstanding, to issue and pledge first mortgage bonds with the trustee for the G&R indenture in amounts specified in the G&R indenture as security for all bonds issued or to be issued under and pursuant to the terms of the G&R indenture and except for such purposes will preclude the company from issuing any further first mortgage bonds.

In connection with the issue of the Series BG&R bonds, the company proposes to execute an indenture supplemental to its G&R indenture mortgaging or confirming the mortgage of said indenture on all its property, assets and franchises (except property of the character specifically reserved to the company in the G&R indenture and subject to the first mortgage indenture, as noted above) as security for all bonds issued or to be issued under and pursuant to the terms of said G&R indenture.

For the purpose of further securing its general and refunding mortgage bonds, the company proposes to issue and pledge not exceeding \$15 million principal amount of first mortgage bonds, Series W (the "Series W bonds") under and pursuant to the terms of the first mortgage indenture securing its presently outstanding Series B through P and R through V first mortgage bonds. The proposed Series W bonds will bear the same interest rate and have the same maturity as the proposed Series BG&R bonds and will be pledged with the trustee under the G&R indenture as additional security for all general and refunding mortgage bonds. The proposed Series W bonds and future issues of first mortgage bonds will be deposited with the trustee under the G&R indenture as a pledge, and will, to the extent of their principal amount, offer first mortgage security to holders of bonds issued under the G&R indenture. Pledged bonds, including the Series W bonds and future issues of first mortgage bonds, do not constitute part of the company's long-term debt. The company will not pay interest on both the G&R bonds and pledged bonds at the same time.

In connection with the issue of Series W bonds, the company proposes to execute an indenture supplemental to its first mortgage indenture mortgaging or confirming the mortgage of said indenture on all its property, assets, and franchises (except property of the character specifically reserved to the company in said indenture) as security for all bonds issued or to be issued under and pursuant to the terms of said indenture.

The company proposes to apply the proceeds from the sale of the Series BG&R bonds to the payment of the Series B first mortgage bonds, the payment of notes payable of this company incurred for or to the cost of, or to the reimbursement of the treasury for payment of said Series B first mortgage

bonds, uncapitalized extensions, enlargements, and additions to the plant and property of the company, and any other uncapitalized expenditures of the company.

The company submitted in evidence its balance sheet as of December 31, 1977, as per books and pro forma to reflect the sale of additional general and refunding mortgage bonds, Series B, and of additional first mortgage bonds, Series W, and the application of the proceeds therefrom.

The record in this proceeding shows that the uncapitalized expenditures of the company at

December 31, 1977, amount to \$300,186,966. Part of these uncapitalized expenditures would be capitalized through the proposed issues of the securities 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 or submitted in evidence at the hearing.

Based on the balance sheet of the company, adjusted for the issuance of \$50 million principal amount of Series B general and refunding bonds, the pro forma ratio of bonds to the total capitalization of the company in 53 per cent, preferred stock 12.4 per cent, and common equity 34.6 per cent.

Upon investigation and consideration of the evidence submitted, this 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

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 its general and refunding mortgage bonds, Series B, in an aggregate principal amount of \$50 million, maturing in not more than thirty years from the date thereof, and to bear such interest rate as will be determined by competitive bidding; and it is

Further ordered, that New England Power Company shall submit to this commission an account of the bids of responsible bidders for the purchase of said bonds, which bids shall be on a comparable basis, following which a supplemental order will issue, establishing the amount of the bonds to be sold and the price and terms upon which said bonds shall be sold; and it is

Further ordered, that the proceeds from the sale of said Series B bonds 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, uncapitalized additions and improvements to the plant and property of the company, and for other uncapitalized expenditures; and it is

Further ordered, that New England Power Company be, and hereby is, authorized to issue and pledge \$15 million principal amount of first mortgage bonds, Series W, said bonds to bear the same rate of interest as the Series BG&R bonds and to be pledged with the trustee under the G&R indenture as security for the G&R indenture; and it is

Further ordered, that New England Power Company be, and hereby is, authorized to mortgage, subject to the lien of the company's indenture of trust and first mortgage, dated November 15, 1936, and supplements thereto, all its property, intangible and tangible, including franchises, in New Hampshire, as security for all bonds issued or to be

Page 182

issued under and pursuant to the terms of the company's general and refunding mortgage and first mortgage indentures; and it is

Further ordered, that the authorization to issue Series B bonds contained herein shall be exercised on or before August 1, 1978, and not thereafter, unless such period is extended by

order of this commission; and it is

Further ordered, that on or before January 1st and July 1st 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 securities, 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, 1978.

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NH.PUC*06/13/78*[78082]*63 NH PUC 183*Claremont Gas Light Company

[Go to End of 78082]

Re Claremont Gas Light Company

DR 78-92, Order No. 13,186

63 NH PUC 183

New Hampshire Public Utilities Commission

June 13, 1978

PETITION of gas company seeking rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Claremont Gas Light Company, a public utility engaged in the business of supplying gas service in the state of New Hampshire, on June 2, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 9 — Gas, providing for a 10 per cent across-the-board increase in rates (\$22,853), effective July 2, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Fifth Revised Pages 13, 14, 15, and 16 of tariff, NHPUC No. 9 — Gas, of Claremont Gas Light Company, be, and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of June, 1978.

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NH.PUC*06/19/78*[78083]*63 NH PUC 184*New Hampshire Electric Cooperative, Inc.

[Go to End of 78083]

Re New Hampshire Electric Cooperative, Inc.

DR 78-101, Order No. 13,191

63 NH PUC 184

New Hampshire Public Utilities Commission

June 19, 1978

PETITION of electric cooperative seeking purchased power cost adjustment; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on June 5, 1978, filed with this commission a revision of its tariff, NHPUC No. 8 — Electricity, providing for a purchased power cost adjustment of 2.3 mills per kilowatt-hour, said adjustment resulting from the Federal Energy Regulatory Commission approval of a wholesale increase in the cost of electricity, effective July 29, 1978, under bond, to Public Service Company of New Hampshire; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date, August 14, 1978, of tariff, NHPUC No. 8 — Electricity, be suspended pending investigation and decision thereon; it is

Ordered, that First Revised Page 15 of tariff NHPUC No. 8 — Electricity, of New Hampshire Electric Cooperative, Inc. be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of June, 1978.

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NH.PUC*06/20/78*[78084]*63 NH PUC 184*Claremont and Concord Railway Company, Inc.

[Go to End of 78084]

Re Claremont and Concord Railway Company, Inc.

DT 77-122, Order 13,195

63 NH PUC 184

New Hampshire Public Utilities Commission

June 20, 1978

PETITION to abandon a section of a railway; granted.

1. SERVICE, § 264 — Railroad service — Abandonment.

[N.H.] The commission permitted a railroad to remove its ties and tracks on an unprofitable line where there was no interested party desirous of purchasing the line for future railroad use and the Interstate Commerce Commission authorized its abandonment. p. 185.

2. SERVICE, § 245 — Abandonment of railway — Terms.

[N.H.] The commission conditioned its order allowing a railroad to abandon service on the utility's offering its tracks and real estate to the state. p. 185.

Page 184

APPEARANCES: G. Clark Cummings for the petitioner; John Hoar, Jr., pro se; Frances Shaine for the New Hampshire Transit Authority.

BY THE COMMISSION:

Report

[1,2] By petition filed August 18, 1977, the Claremont Concord Railway Company, Inc. seeks authority to remove its track and equipment between Newport and Claremont. Hearing thereon was held at Concord on January 23, 1978.

That portion of the Claremont Concord Railway Company, Inc. involved in this proceeding consists of approximately ten miles of track between MP C53 at Claremont and MP C43 in Newport.

There are two wooden covered bridges on this line which have been designated as historical landmarks; one is called the " Pier" bridge located at MP C49.09. The second bridge is approximately one mile west, and known as the "Wright" bridge at MP C50.26.

The track consists of a mixture of 75- and 85-lb. rail on cinder and gravel ballast.

On July 9, 1974, a petition was filed with the Interstate Commerce Commission relating to the abandonment of this line. Hearing was held August 8, 1976, at Newport at which no one appeared to protest the abandonment. On December 12, 1977, the Interstate Commerce Commission authorized its abandonment with the provisions that any party could make an offer to purchase the line.

At this point two individuals protested the abandonment and requested information relative to possible subsidization of the railroad operations. The protests were on behalf of a lumber company located at Newport, which is most dependent upon this line, although there is no private or public delivery siding at the lumber company plant. It was indicated that a subsidy of \$42,000 per year would be required, this information being the subject of an order of the Interstate Commerce Commission dated April 4, 1977. No firm offer of subsidy was

subsequently made. But the protestant, LaValley and Haigh, agreed to purchase at a value set by a railroad appraiser to be submitted by Tom Dyer Associates of Lexington, Massachusetts. The appraisal for rail and ties submitted by this firm amounted to \$100,200. A real estate appraisal firm appraised the land as between \$139,000 and \$151,000. Most of the real estate on which the rails are located is owned in fee by the railroad corporation.

With the submission of these figures no further interest was indicated. A final order of the Interstate Commerce Commission issued July 27, 1977, authorized the abandonment subject to a limit of 120 days thereafter, in which the state or others might arrange for purchase or acquisition. No such interest has been shown and operations were discontinued on or about September 1, 1977.

The instant petition comes to the commission pursuant RSA 365:24-A which provides as follows:

"No person shall tear up and remove or cause to be torn up and removed any railroad track, tie, switch, or diamond or any track related structure, except for routine or emergency maintenance and replacement, from any railroad line, including but not limited to lines which are in active service, embargoed, petitioned to be abandoned, and abandoned, but excluding spur, industrial, and storage tracks, without notice to the commission and such notice to the public as the com-

Page 185

mission may direct. Upon receipt of such notice, the commission shall conduct a public hearing to determine whether the proposed action is consistent with the public good, and may by order forbid the proposed action."

The penal provisions for this section provides that any person who violates the provisions thereof shall be guilty of a Class B felony.

This is the first proceeding which has come before the commission under this new statute, it being filed August 18, 1977, less than one month after the effective date thereof.

It is the position of the Claremont Concord Railway Company, Inc. that operations have been conducted at a substantial loss, that there is no demand for the continuance of the line and the Interstate Commerce Commission has determined that the future public convenience and necessity does not require its continuance.

The petition was opposed at the hearing by Representative John Hoar, Jr., and the New Hampshire Transportation Authority. Testimony submitted by Representative Hoar indicates that there is little likelihood of future use of this portion of the line but suggests that if the rails, ties, and track-related structures are removed that the state be given the first consideration to the sale of these items. We also suggest that the two covered bridges be considered part of the real estate.

The Transportation Authority requested further time in which to consider if that agency should acquire the line for continued operations or as a bank for future use.

Following the hearing the attorney general on behalf of the New Hampshire Transportation Authority filed an answer opposing the removal of tracks and other railroad property and

requesting the commission to deny the petition.

The commission also received from the attorney general a petition for alternate affirmative relief, requesting that if the commission deny the request of the New Hampshire Transportation Authority set forth in its answer that the commission enjoin: "The Claremont Concord Railway Company, Inc. from removing any tracks, ties, or other railway property of said railway between Claremont and Newport until May 1, 1978, in order to give the New Hampshire Transportation Authority sufficient time in which it may properly carry out its duties and responsibilities to the state of New Hampshire and to the public."

After further consideration by that authority, on May 26, 1978, the commission was advised that "The petition for alternate affirmative relief is withdrawn without prejudice to the relief requested in the answer to their petition and that it should not be taken by any party concerned as a waiver of preferential standing which the New Hampshire Transportation Authority has with respect to the sale of railroad lines and fixtures in the state of New Hampshire."

It has been the policy of the state to attempt to retain all rail lines that might have any future potential use in the development of industrial resources in this state. This policy was initiated by this commission prior to the creation of the New Hampshire Transportation Authority and it has been retained by that authority. This particular segment of track has been in operation by a short line railroad ever since the creation of the Claremont Concord Railway Company, Inc. which acquired and combined the Claremont Railway Company and the Concord-Claremont branch of the

Page 186

Boston and Maine Railroad in 1955.

The commission left the case open for approximately six months to allow sufficient time for other state agencies, particularly the New Hampshire Transportation Authority, and the public to consider and submit any further testimony concerning this important question.

It is apparent that there is no interested party desiring to purchase the line for future railroad use. The Interstate Commerce Commission has authorized its abandonment, leaving certain conditions open, which no parties have taken advantage of, nor is there any indication that there is any public concern left for the use of this line.

Upon consideration of all the facts the commission is of the opinion that the Claremont Concord Railway Company, Inc. should be permitted to remove its rails, ties, and track-related structures in accordance with the request contained in the petition, subject, however, to offers, both for track material or such portions of it as the state, through the New Hampshire Transportation Authority, may wish to purchase, that the real estate shall also be offered to the state before being sold to other interested parties, that the two covered bridges shall be left for future maintenance as historical landmarks, and that the rails and ties shall be removed from all public crossings and the crossings filled and surfaced with a material consistent with and similar to the approaches thereto and that all supporting pilings or piers under bridges be removed to prevent future interference to the free flow of streams. Our order will issue accordingly.

Order

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

Ordered, that the Claremont and Concord Railway Company, Inc. be, and hereby is, authorized to remove its rails, ties, and track-related structures on that section of line which has been authorized by the Interstate Commerce Commission to be abandoned between MP C43 at Newport and C53 at Claremont, subject, however, to the sale of such material, together with any bridges or structures supporting the rails, being first offered to the state of New Hampshire Transportation Authority, and it is

Further ordered, that all ties and rails shall be removed from public grade crossings and filled with material consistent with and similar to the approaches thereto, and it is

Further ordered, that all supporting pilings or piers supporting bridges be removed to prevent future interference of the free flow of streams, and it is

Further ordered, that the two wooden covered bridges which have been designated as historical landmarks shall be deemed a portion of real estate and shall not be removed.

By order of the Public Utilities Commission of New Hampshire this twentieth day of June, 1978.

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NH.PUC*06/21/78*[78085]*63 NH PUC 188*New Hampshire Electric Cooperative, Inc.

[Go to End of 78085]

Re New Hampshire Electric Cooperative, Inc.

DR 78-24, Order No. 13,198

63 NH PUC 188

New Hampshire Public Utilities Commission

June 21, 1978

PETITION for a rate increase; granted.

APPEARANCES: Mayland H. Morse, Jr., for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council; Jerome Diamond, attorney general, for the state of Vermont; and Rexford Roberts for the Vermont Public Service Board.

BY THE COMMISSION:

Report

These proceedings were initiated on February 24, 1978, when the New Hampshire Electric Cooperative, Inc., hereinafter referred to as the "Cooperative," a public utility engaged in the business of supplying electrical service in the state of New Hampshire, filed with the commission its proposed tariff NHPUC No. 8 (said tariff being in lieu of NHPUC No. 7) superseding tariff NHPUC No. 6 providing for an increase in annual gross revenues of \$689,042 effective April 1, 1978. A petition for temporary rates was filed simultaneously with proposed

Tariff No. 8.

On March 14, 1978, the commission by its Order No. 13,085 suspended the proposed filing pending investigation and decision.

After a duly noticed hearing on March 15, 1978, the commission issued Supplemental Order No. 13,089 dated March 17, 1978, granting temporary rates reflecting an increase in gross annual revenues of \$689,000 effective upon the filing of a bond.

Fair Rate of Return

The Cooperative presented three witnesses to describe the financial condition of the Cooperative. One witness recommended a minimum cost of capital of 6.25 per cent. This recommendation was based on the actual cost of debt of 3.19 per cent and a minimum cost of equity of 13.5 per cent.

The witness utilized the above figures with a pro formed capital structure of 70 per cent debt and 30 per cent equity. The commission notes that the debt ratio is actually in excess of 95 per cent. The Cooperative only requested a rate of return of 5.146 per cent (see revised Exh 2E) and the commission accepts a rate of return of 5.146 per cent.

Rate Base

The Cooperative introduced revised Exh 2E which depicts the beginning and end of year averaged rate base for 1977, adjusted to be \$29,409,796. The commission accepts the filed rate base of \$29,409,796.

Revenue and Expenses

The Cooperative submitted revised Exh 2B which depicted total operating revenues for the test year 1977 to be \$14,716,502 and total utility operating expenses of \$13,800,971. These figures were revised by three pro forma adjust-

Page 188

ments which depict the adjusted operating revenue to be \$14,778,046 and the adjusted utility operating expenses to be \$13,964,287. Additional adjustments could possibly be made for such items as nonrecurring expenses for meters, legal expenses associated with prior hearings, and amortization for storm damage. The commission recognizes that these possible adjustments may have some merit, but they are more than offset by the known increase for interest on long-term debt of approximately \$100,000 over the test-year amount, which when pro formed will increase the costs of capital for the Cooperative. Therefore, the commission accepts the Cooperative's adjusted figure of \$13,964,287.

Required Revenue and Tier Coverage

The commission determined that by multiplying the approved rate base of \$29,409,796 by the approved rate of return of 5.146 per cent results in a required net utility operating income of \$1,513,428. Adding this required amount of net utility operating income to the adjusted utility operating expense of \$13,964,287 results in operating revenue of \$15,479,715. Subtracting the required operating revenue of \$15,479,715 from the 1977 adjusted operating revenues of \$14,778,000 establishes a revenue increase greater than the amount requested.

The commission staff suggested that by dividing the Cooperative's requested net income of \$1,527,940 (see Exh 2B) which figure includes the sum of \$23,809 which reflects interest on temporary cash investment and referred to in the brief of the LUCC, by the minimum interest expenses for 1978 or \$983,000 yields a coverage of 1.55.

During the hearings it was adequately demonstrated that the Cooperative must earn at least 1.5 times interest to qualify to borrow from the REA at its low interest rate of 5 per cent.

The commission finds that by application of the fair rate of return which we have found to the rate base heretofore discussed, the Cooperative is entitled to the requested increase in its gross revenue of \$689,000 on an annual basis, and that the tariff provisions as submitted, are near enough to our findings, and are reasonable and 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 the New Hampshire Electric Cooperative, Inc. tariff, NHPUC No. 8 — Electricity, as filed on February 24, 1978, and accepted as temporary rates per Supplemental Order No. 13,089, reflecting an increase in gross annual revenues of \$689,000, are accepted on a permanent basis. It is to become effective with all current bills rendered on and after the effective date of the temporary rate increase; and it is

Further ordered, that public notice of this increase be given by publication of this order in a newspaper having general circulation in the territory served.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of June, 1978.

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NH.PUC*06/21/78*[78086]*63 NH PUC 190*Granite State Electric Company

[Go to End of 78086]

Re Granite State Electric Company

DR 77-63, Second Supplemental Order No. 13,199

63 NH PUC 190

New Hampshire Public Utilities Commission

June 21, 1978

MOTION for rehearing regarding electric company's rate increase request; denied.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for rehearing filed on June 12, 1978, for, and on behalf of, Legislative Utility Consumers' Council for a rehearing on the commission's report of May 23, 1978, in the above cited matter; 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 said motion for rehearing be, and hereby is, denied.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of June, 1978.

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NH.PUC*06/21/78*[78087]*63 NH PUC 190*Public Service Company of New Hampshire

[Go to End of 78087]

Re Public Service Company of New Hampshire

DR 77-49, 13th Supplemental Order No. 13,200

63 NH PUC 190

New Hampshire Public Utilities Commission

June 21, 1978

MOTION for rehearing regarding electric company's rate increase; denied.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for rehearing filed June 14, 1978, for, and behalf of the Legislative Utility Consumers' Council for a rehearing on the commission report and 11th Supplemental Order No. 13,162 dated May 25, 1978; 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 said motion for rehearing be, and hereby is, denied.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of June, 1978.

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NH.PUC*06/26/78*[78088]*63 NH PUC 191*Manchester Gas Company

[Go to End of 78088]

Re Manchester Gas Company

DR 78-100, Order No. 13,201

63 NH PUC 191

New Hampshire Public Utilities Commission

June 26, 1978

PETITION of gas company seeking rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Manchester Gas Company, a public utility engaged in the business of supplying gas service in the state of New Hampshire, on June 15, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 12 — Gas, providing for an increase in annual revenues of \$557,752 (8.97 per cent), effective July 15, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Fourth Revised Page 10, Tenth Revised Page 12, and Ninth Revised Page 13 of tariff, NHPUC No. 12 — Gas, of Manchester Gas Company be, and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of June, 1978.

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NH.PUC*06/27/78*[78089]*63 NH PUC 191*Public Service Company of New Hampshire et al.

[Go to End of 78089]

Re Public Service Company of New Hampshire et al.

DR 76-42, 29th Supplemental Order No. 13,202

63 NH PUC 191

New Hampshire Public Utilities Commission

June 27, 1978

PETITION for authority to apply a fuel adjustment charge to regular monthly bills.

RATES, § 303 — Fuel adjustment clauses — Electric companies.

[N.H.] The commission permitted electric utilities to recover increases in their fuel costs through a fuel surcharge applied to their regular monthly bills.

APPEARANCES: Eaton W. Tarbell, Jr., and Philip Ayers for Public Service Company of New

Hampshire; Rocco Pelillo for Concord Electric Company; Robert Bover for Exeter and Hampton Electric Company; Diane Gilman for Connecticut Valley Electric Company, Inc.; John Pillsbury for New Hampshire

Page 191

Electric Cooperative, Inc.; Philip H. R. Cahill for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Miles Roy for Woodsville Water and Light Department; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A(II), the commission on June 20, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular July, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on June 18, 1978, filed with this commission 20th Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect July 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corp. Woodsville reported that during the month of May, 1978, the total fuel cost billed by Central Vermont was \$1,285.96. During this same period the total kilowatt-hours sold by Woodsville was 746,435. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of July, 1978, is 17 cents per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on June 14, 1978, filed with this commission 54th Revised Page 6 to its tariff NHPUC No. 1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect July 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of May, 1978, was a credit of \$1,414.96. During this same period the total kilowatt-hours sold by Littleton was 2,552,733. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of July, 1978, is a credit of six cents per hundred kilowatt-hours to be refunded.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on June 9, 1978, filed with this commission 44th Revised Page 9A to its tariff, NHPUC No. 4 — Electricity, comprising the

monthly calculation of the fuel adjustment charge for effect July 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of May, 1978, the total fuel cost billed by Public Service was \$18,600. During this same period

Page 192

the total kilowatt-hours sold by Wolfeboro was 1,847,875. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of July, 1978, is \$1 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on June 11, 1978, filed with this commission 46th Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect July 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was a credit of \$13,807.37. Total sales to Granite State customers during the same period was 28,717,992 kilowatt-hours. By simple division this yields a credit of \$0.0005 per kilowatt-hour which is subtracted from the fixed fuel portion of \$0.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of July, 1978, is proposed to be \$1.19 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on June 18, 1978, filed with this commission Third Revised Page 15 to its tariff NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on July 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of May, 1978, was \$172,034. Total sales by the Co-op during the same month were 22,773,509 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of July, 1978, is 76 cents per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on June 18, 1978, filed with this commission 15th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect July 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corp. Connecticut Valley reported that during the month of May, 1978, the total fuel cost billed by Central Vermont was \$19,576. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 11,655,131. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of July, 1978, is 17 cents per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying

electric service in the state of New Hampshire on June 18, 1978, filed with this commission 36th Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect July 1, 1978. Ex-

Page 193

eter and Hampton Electric purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of May, 1978, was \$262,521.15. Total sales by Exeter and Hampton during the same period were 24,098,772 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of July, 1978, is \$1.09 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on June 7, 1978, filed with this commission 40th Revised Page 15A to its tariff, NHPUC No.6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect July 1, 1978. Concord Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of May, 1978, was \$239,890. Total sales during that same period were 20,874,198 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of July, 1978, is \$1.15 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on June 16, 1978, filed with this commission First Revised Pages 17, 18 to its tariff, NHPUC No. 22 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect July 1, 1978.

The company reported a fuel cost above base of \$5,481,315 and total kilowatt-hours subject to the fuel adjustment of 406,111,000. By simple division and rounded this yields \$1.05 per hundred kilowatt-hours. From this a reduction for leasing and maintenance costs billed to the company by Consolidation Coal Company of three cents per kilowatt-hour was made. The result yields \$1.02 per hundred kilowatt-hours to be applied to customers bills rendered in July, 1978.

The proposed \$1.02 fuel surcharge for July represents an 11 cent decrease over the fuel surcharge for June. The decrease is primarily attributed to several causes: (1) an agreement with Central Maine Power Company to swap capacity power with Public Service Company receiving mostly nuclear generated power for fossil fuel capacity units; (2) an increase in energy provided by Merrimack Station in May; (3) an increase in energy provided by hydroelectric and nuclear plants, and (4) the leasing and maintenance adjustment.

The record contains a full explanation of the unscheduled outages at Merrimack Unit No. 2.

Based upon all of the testimony and evidence in the record of this proceeding the commission finds that the proposed fuel adjustment charges for the month of July, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of

law. Our order will issue accordingly.

Supplemental Order

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

Page 194

Ordered, that First Revised Pages 17, 18 of Public Service Company of New Hampshire tariff NHPUC No. 22 — Electricity, providing for the monthly fuel surcharge of \$1.02 per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become effective July 1, 1978; and it is

Further ordered, that 40th Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.15 per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become effective July 1, 1978; and it is

Further ordered, that 36th Revised Page 16 of Exeter and Hampton Electric Company tariff, NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.09 per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become effective July 1, 1978; and it is

Further ordered, that 15th Revised Page 18 of Connecticut Valley Electric Company, Inc. tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of 17 cents per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become effective July 1, 1978; and it is

Further ordered, that Third Revised Page 15 of New Hampshire Electric Cooperative, Inc. tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of 76 cents per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become effective July 1, 1978; and it is

Further ordered, that 46th Revised Page 15A of Granite State Electric Company tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.19 per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become effective July 1, 1978; and it is

Further ordered, that 44th Revised Page 9A of the Municipal Electric Department of Wolfeboro tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$1 per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become effective July 1, 1978; and it is

Further ordered, that 54th Revised Page 6 of Littleton Water and Light Department tariff, NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge credit of six cents per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become effective July 1, 1978; and it is

Further ordered, that 20th Revised Page 10B of Woodsville Water and Light Department tariff, NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of 17 cents per hundred kilowatt-hours for the month of July, 1978, be, and hereby is, permitted to become

effective July 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of June, 1978.

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NH.PUC*06/27/78*[78091]*63 NH PUC 197*Service Territories for Electric Utilities

[Go to End of 78091]

Re Service Territories for Electric Utilities

I-A14,674, First Supplemental Order No. 13,205

63 NH PUC 197

New Hampshire Public Utilities Commission

June 27, 1978

ADDITIONAL extension granted relative to defining service territories for electric utilities.

BY THE COMMISSION:

Supplemental Order

Whereas, by Order No. 13,066, this commission extended the filing date of February 26, 1978, to July 1, 1978, under the provisions of RSA 374:22-b and

Whereas, the necessary work involved has resulted in processing applications covering approximately one half of the total towns involved; it is

Ordered, that the extension date of July 1, 1978, contained in Order No. 13,066 be and hereby is further extended to January 1, 1979.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of June, 1978.

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NH.PUC*06/28/78*[78090]*63 NH PUC 196*Gas Service, Inc.

[Go to End of 78090]

Re Gas Service, Inc.

DR 77-56, Supplemental Order No. 13,204

63 NH PUC 196

New Hampshire Public Utilities Commission

June 28, 1978

ORDER providing for refunds of cost-of-gas adjustment charges.

REPARATION, § 15 — Overcollections — Cost-of-gas adjustment.

[N.H.] Where a statistical error resulted in an overcollection of a cost-of-gas adjustment charge, the commission ordered the utility to refund the relevant amount by granting existing customers a credit on their bills and providing checks to those who were no longer customers.

BY THE COMMISSION:

Supplemental Order

Whereas, on March 22, 1978, Gas Service, Inc., reported to this commission that a statistical error in the calculation of the cost-of-gas adjustment for the Nashua division during the winter period, November, 1977, through April, 1978, resulted in an overcollection from its Nashua customers; and

Whereas, on April 5, 1978, this commission directed the company to prepare for a refund of the cost-of-gas adjustment overcharge in a manner which would assure that it be repaid as precisely as possible to those customers actually responsible for the overpayment; and

Whereas, upon investigation, this commission is now satisfied that the company has made a reconciliation to the best of its ability and has determined that a refund in the amount of \$583,209 is appropriate; and

Whereas, upon further investigation, this commission has determined that interest calculated at an annual rate of 8 per cent is appropriate and due in the amount of \$11,664; and

Whereas, this commission is satisfied that the company's proposal to refund existing customers by credits to their May bill and to provide checks to those who are no longer customers of Gas Service, Inc., is fair and proper and in the public interest; it is

Ordered, that Gas Service, Inc. make refunds to its Nashua customers in the amount of \$0.0295 per therm of gas billed during the winter period November 1, 1977, through April 30, 1978, and the refund be made by credit on each current customer's May gas bill to the extent practicable, by credit against any amounts due for Gas Service where necessary, and by check to those parties no longer customers of Gas Service; and it is

Further ordered, that any final reconciliation of the cost-of-gas adjustment shall be carried forward to the next winter period in accordance with the provisions of the Gas Service, Inc. cost-of-gas adjustment's tariff approved by and on file at this commission's offices; and it is

Further ordered, that a one-time publication of this order be made in a newspaper having general circulation in the area served.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of June, 1978.

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NH.PUC*06/30/78*[78092]*63 NH PUC 197*Concord Electric Company

[Go to End of 78092]

Re Concord Electric Company

DR 77-142, Order No. 13,206

63 NH PUC 197

New Hampshire Public Utilities Commission

June 30, 1978

PETITION of an electric company to have its existing rates made temporary; granted.

RATES, § 85 — Existing rates — Change to temporary rates.

[N.H.] Where an electric utility filed a new tariff and the statute provided that the company could place the new rates into effect since the commission did not act within the statutorily prescribed period, the commission granted the company's request to have its existing rates made temporary rates for the duration of the proceeding in lieu of placing the new rates into effect under bond.

APPEARANCES: Joseph S. Ransmeier for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council; Dom S. D'Ambruso for the Attorney General's Office.

BY THE COMMISSION:

Report

Concord Electric Company, a public utility engaged in the business of supplying electrical service in limited areas of this state, on September 30, 1977, filed a new tariff for effect October 30, 1977.

Page 197

This new filing was designed to produce increased revenues of \$714,000.

The commission suspended the effective date of the new tariff by its Order No. 12,932 dated October 13, 1977.

Per RSA 378:6, "if for any reason the commission is unable to make its determination prior to the expiration of six months from the originally proposed effective date of said schedule, the public utility affected may place the filed schedule of rates in effect ... upon furnishing the commission with a bond in such form and with such sureties, if any, as the commission may determine, to secure the repayment to the customers of the public utility of the difference, if any,

between the amounts collected under said schedule of rates and the schedule of rates determined by the commission to be just and reasonable."

As the six-month period ended April 30, 1978, the company had the option as of May 1, 1978, to place its proposed rates in effect under bond.

Instead the company filed a petition on April 26, 1978, to have its existing rates made temporary rates for the duration of the proceeding as of May 1, 1978, in lieu of placing the suspended rates in effect under bond under said date.

A duly noticed hearing on such was held at the commission office on May 11, 1978, at 10 A.M. at which there were no objections to the petition.

Since the setting of current rates as temporary rates, is not without precedent, *New Hampshire v New England Teleph. & Teleg. Co.* (1961) 103 NH 394, 40 PUR3d 525; *Pennichuck Water Works v New Hampshire* (1960) 103 NH 49, 36 PUR3d 374; *Re New Hampshire Electric Co-op., Inc.* (1977) DR 77-93, Order No. 12,892, we believe that the petition should be granted.

Order

Concord Electric Company Rate Case

Whereas, Concord Electric Company, on September 30, 1977, filed with this commission certain revisions of its tariff, NHPUC No. 6 — Electricity, providing for an increase in annual gross revenues of \$714,000 proposed to be effective on October 30, 1977; and

Whereas, by Order No. 12,932 dated October 13, 1977, the commission suspended the effective date of that proposed tariff pending investigation and decision thereon; and

Whereas, the commission has held hearings on the merits; and

Whereas, RSA 378:6 provides that if for any reasons the commission is unable to make its determination on final rates prior to the expiration of six months from the originally proposed effective date of said proposed schedule the public utility in question may place into effect said file schedule of rates upon furnishing the commission with a bond as the commission may determine; and

Whereas, subsequent to May 1, 1978, Concord Electric Company chose not to place the proposed schedule rates into effect under bond but rather requested this commission to protect the company's revenue position by making the existing rates temporary rates so as to entitle the company to a recoupment, if any there be, of the difference between the rates finally determined and the existing rates now in force; and

Whereas, on May 11, 1978, the commission held a hearing pursuant to notice on the issue of temporary rates it is

Ordered, that the existing rates charged by the Concord Electric Company under its tariff, NHPUC No. 6 —

Page 198

Electricity, be and hereby are authorized to be collected as temporary rates effective May 1,

1978, and it is

Further ordered, that Concord Electric Company notify its customers of this action of the commission.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of June, 1978.

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NH.PUC*06/30/78*[78093]*63 NH PUC 199*Public Service Company of New Hampshire

[Go to End of 78093]

Re Public Service Company of New Hampshire

DF 78-90, Order No. 13,207

63 NH PUC 199

New Hampshire Public Utilities Commission

June 30, 1978

PETITION of electric utility to adopt a stock purchase plan and to issue shares of common stock pursuant thereto; granted.

SECURITY ISSUES, § 119 — Stock purchase plan — Authorization.

[N.H.] The commission granted a utility authority to adopt a dividend reinvestment and common stock purchase plan after finding that the plan was consistent with the public good.

APPEARANCES: Eaton W. Tarbell, Jr., for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed June 5, 1978, 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 under RSA 369 to adopt a dividend reinvestment and common stock purchase plan (hereinafter the "plan") and pursuant thereto authority to issue and sell up to 300,000 of its authorized but unissued shares of its common stock, \$5 par value (the "common stock").

At hearing on the petition, held in Concord on June 27, 1978, the company submitted that it proposed to adopt the aforesaid plan which would allow existing shareholders of the company to invest in new common stock of the company by either reinvesting quarterly dividends paid on shares which they own and/or investing optional cash payments which they may elect to make on

a quarterly basis. In addition, any employee of the company may request the company to make regular payroll deductions for purchase of shares under the plan.

The company submitted that the per share purchase price under the plan will be the average of the closing price for such stock on the New York Stock Exchange, as quoted in the eastern edition of the *Wall Street Journal*, for the last five

Page 199

trading days immediately preceding the applicable dividend reinvestment date.

The company estimated proceeds from the plan would approximate \$500,000 per quarter and submitted that these would be used for the company's continuing construction program, (which currently estimated by the company to approximate \$1,095,900,000 for the seven-year period from 1978 to 1984 inclusive) the payment of short-term borrowings incurred in connection with the company's construction program (which amounted to \$57,112,500 as of May 31, 1978) or for other corporate purposes.

The company submitted that the cost of the various services and expenses involved in issuing the common stock under the plan during the first full year would approximate \$89,200. These costs will be paid out of the general funds of the company and charged to other paid-in capital.

In the draft FORM S-7 for the shares to be issued under the plan (registration statement under the Securities Act of 1933) which was submitted as an exhibit at the hearing, the company submitted a statement of its capitalization as of December 31, 1977, actual and pro forma for the issuance of the 300,000 shares of common stock at an average price of \$19.75 per share; a detailed description of the plan; a statement of disposition of proceeds; a balance sheet as of December 31, 1977; and related financial information.

Upon investigation and consideration, the commission is satisfied that the adoption of the plan is consistent with the public good. The commission is further satisfied that the proceeds from the financing will be expended (1) to pay off short-term notes, 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, (2) to finance the purchase and construction of additional such property, and (3) for other proper corporate purposes, and finds that the issue and sale of these securities upon the terms proposed will be consistent with the public good.

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 adopt its proposed dividend reinvestment and common stock purchase plan and to issue and sell up to 300,000 shares of common stock, \$5 par value, in accordance with said plan; 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 notes of said company, to pay for the purchase and construction of additional property, and for other lawful corporate purposes; and it is

Further ordered, that the Public Service Company of New Hampshire 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 capital stock, until the expenditure of the whole of said proceeds have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of June, 1978.

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NH.PUC*07/05/78*[78094]*63 NH PUC 201*Public Service Company of New Hampshire

[Go to End of 78094]

Re Public Service Company of New Hampshire

DF 78-11, Supplemental Order No. 13,209

63 NH PUC 201

New Hampshire Public Utilities Commission

July 5, 1978

PETITION for authority to mortgage property and issue and sell mortgage bonds; granted.

SECURITY ISSUES, § 129 — Authorizations — Amendment.

[N.H.] Upon motion of a utility, the commission amended its order permitting the issuance and sale of bonds in order to allow additional bonds to be issued where the utility described relevant changes in its circumstances.

BY THE COMMISSION:

Supplemental Order

Whereas, Order No. 13,062 dated February 9, 1978, issued in the above entitled proceeding approved the mortgaging by Public Service Company of New Hampshire ("the company") of its present and future property, tangible and intangible including franchises, under a general and refunding mortgage indenture to be dated on or after March 15, 1978, to secure the payment of general and refunding mortgage bonds to be issued from time to time thereafter; and

Whereas, said Order No. 13,062 also authorized the company, inter alia, to issue its general and refunding mortgage bonds, Series A (the "Series A G& R bonds"), in a principal amount not exceeding \$40 million and its first mortgage bonds, Series W (the "Series W first mortgage bonds"), in the principal amount of \$10 million, subject to further order of this commission; and

Whereas, by letter dated March 16, 1978, the company informed this commission that the sale of the Series A G& R bonds had been deferred for several months; and

Whereas, on June 28, 1978, the company filed with this commission a "motion to amend petition and request for issuance of supplemental order" describing the present status of the proposed financing, outlining relevant changes which had occurred since the public hearing on February 8, 1978, requesting permission to amend its petition to cover issuance of a maximum of \$60 million rather than \$40 million of the Series A G&R bonds, and requesting issuance of a supplemental order authorizing the issue of not exceeding \$60 million of said bonds; and

Whereas, attached to said motion and request was a sworn statement of Robert J. Harrison supplementing his previous testimony in this docket in which Mr. Harrison described relevant changes in circumstances relating to the proposed financing, including an expected higher interest rate, a maturity of fifteen years rather than twenty years, and the desired increase in the maximum principal amount of the Series A G& R bonds to be issued from \$40 million to \$60 million; and

Whereas, having duly considered said motion and request and said sworn statement, this commission is satisfied that its finding with respect to the issuance of

Page 201

not exceeding \$40 million of the Series A G&R bonds may be extended to the issuance of not exceeding \$60 million of said bonds on the terms proposed and hereby expressly finds that the issuance and sale of not exceeding \$60 million of the proposed Series A G&R bonds will be consistent with the public good; it is

Ordered, that the motion of Public Service Company of New Hampshire to amend its petition to cover a maximum of \$60 million of Series A G&R bonds is hereby granted; and it is

Further ordered, that Public Service Company of New Hampshire be, and hereby is, authorized to issue and sell not exceeding \$60 million of its general and refunding mortgage bonds, Series A, for cash in accordance with this commission's report dated February 9, 1978, as supplemented by the foregoing provisions of this supplemental order, and as set forth in said petition as amended; and it is

Further ordered, that all other provisions of said Order No. 13,062 are incorporated herein by reference, including the requirement that Public Service Company of New Hampshire shall submit to this commission the details of the proposed financing, following which a further supplemental order will issue approving the terms of the issue and sale of these securities.

By order of the Public Utilities Commission of New Hampshire this fifth day of July, 1978.

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NH.PUC*07/06/78*[78095]*63 NH PUC 202*Uniform Classification of Accounts for Classes B and C Telephone Utilities

[Go to End of 78095]

Re Uniform Classification of Accounts for Classes B and C Telephone Utilities

I-E9223, Supplemental Order No. 13,210

63 NH PUC 202

New Hampshire Public Utilities Commission

July 6, 1978

ORDER redefining Classes B and C telephone utilities with regard to revenues.

ACCOUNTING, § 6 — Duty to keep proper accounts — Uniform accounts and rules.

[N.H.] The commission found it necessary to redefine Classes B and C telephone utilities in regard to their revenue for the purpose of applying the commission's system of accounts where revenues for both classes had greatly increased since the last order directing regrouping of the classes.

BY THE COMMISSION:

Supplemental Order

Whereas, the Uniform Classification of Accounts for Classes B and C Telephone Utilities, effective January 1, 1952, prescribed by order of this commission, provides, at p. 1, that "for the purpose of applying the system of accounts herein prescribed, telephone utilities having average annual operating revenues not exceeding \$100,000 are hereby grouped into the following two classes:

"Class B. Utilities having average annual operating revenues of more than \$25,000, but less than \$100,000.

Page 202

"Class C. Utilities having average annual operating revenues of less than \$25,000." and

Whereas, revenues for Classes B and C telephone utilities have greatly increased since the present Uniform Classification of Accounts was adopted, it was found necessary on August 4, 1964, to redefine the two classes of utilities in regard to their revenue and they were regrouped into the following two classes:

Class B. Utilities having average annual operating revenues of more than \$25,000, but less than \$800,000.

Class C. Utilities having average annual operating revenues of less than \$25,000. and

Whereas, revenues for Classes B and C telephone utilities have continued to greatly increase since the order issued on August 4, 1964, it now becomes necessary to again redefine the two classes of utilities in regard to their revenue; it is

Ordered, that for the purpose of applying the system of accounts, Classes B and C telephone utilities having annual operating revenues not exceeding \$3 million are regrouped into the

following two classes:

Class B. Utilities having average annual operating revenue of more than \$100,000 but less than \$3 million.

Class C. Utilities having average annual operating revenues of less than \$100,000.

By order of the Public Utilities Commission of New Hampshire this sixth day of July, 1978.

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NH.PUC*07/07/78*[78096]*63 NH PUC 203*Manchester Water Works

[Go to End of 78096]

Re Manchester Water Works

DE 78-110, Order No. 13,215

63 NH PUC 203

New Hampshire Public Utilities Commission

July 7, 1978

PETITION of a water company for authority to extend its franchise area; granted.

FRANCHISES, § 27 — Granting — Action by municipal officers — Extension of franchise area.

[N.H.] A water company was permitted to extend its water mains into an area unserved by any water utility where the extension was approved by the board of selectmen of the municipality and the commission found that the extension appeared to be in the best interests of the public.

BY THE COMMISSION:

Order

Whereas, Manchester Water Works, on June 23, 1978, filed with this commission a petition requesting authority to extend its water mains into an area of Bedford, New Hampshire, presently unserved by any water utility; and

Whereas, said extension is 315 feet easterly along the centerline of Bedford road beyond the existing franchise area, as detailed by maps filed with this commission; and

Page 203

Whereas, said extension has been approved by the board of selectmen of the town of Bedford, and appears to be in the best interest of the public; it is

Ordered, that water mains now serving the public on Bedford road in the town of Bedford be extended no more than 315 feet from the former limit of the franchise area of Manchester Water Works; and, it is

Further ordered, that supply line from said extension shall not exceed 250 feet from the center-line of Bedford road or the furthestmost lot line, whichever is the lesser distance.

By order of the Public Utilities Commission of New Hampshire this seventh day of July, 1978.

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NH.PUC*07/12/78*[78097]*63 NH PUC 204*Wilton Telephone Company, Inc.

[Go to End of 78097]

Re Wilton Telephone Company, Inc.

DR 78-124, Order No. 13,219

63 NH PUC 204

New Hampshire Public Utilities Commission

July 12, 1978

PETITION of telephone company seeking rate increase for auxiliary services and equipment; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Wilton Telephone Company, Inc., a public utility engaged in the business of supplying telephone service in the state of New Hampshire, on July 12, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 4 — Telephone, relative to service to the Monadnock Communications Center, various auxiliary services and equipment and the charges therefor, effective July 12, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Section 3, Original Pages 6B, 6C, and 6D, Second Revised Pages 20, and First Revised Pages 35, 39; and Section 4, First Revised Page 3A of tariff, NHPUC No. 4 — Telephone of Wilton Telephone Company, Inc., be, and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this twelfth day of July, 1978.

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NH.PUC*07/12/78*[78098]*63 NH PUC 205*Wolfeboro Municipal Electric Department

[Go to End of 78098]

Re Wolfeboro Municipal Electric Department

DR 78-125, Order No. 13,220

63 NH PUC 205

New Hampshire Public Utilities Commission

July 12, 1978

PETITION of municipal electric utility seeking a second purchased power adjustment; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Wolfeboro Municipal Electric Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on July 12, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 4 — Electricity, providing for second purchased power adjustment (6.71 per cent), effective August 1, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Original Page 9B-2 of tariff, NHPUC No. 4 — Electricity of Wolfeboro Municipal Electric Department be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this twelfth day of July, 1978.

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NH.PUC*07/13/78*[78099]*63 NH PUC 205*Daniel William Nebesky d/b/a Dan's Sunoco

[Go to End of 78099]

Re Daniel William Nebesky d/b/a Dan's Sunoco

DT 78-54, Supplemental Order No. 13,222

63 NH PUC 205

New Hampshire Public Utilities Commission

July 13, 1978

MOTION for rehearing regarding application for authority to operate as an irregular route common and contract carrier of property by motor vehicle; denied.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for rehearing filed July 7, 1978, for, and on behalf of, Merl O'Neil, d/b/a Merl's Spaulding 66 for a rehearing on the commission decision rendered in Order Nos. 13,192 and 13,193 issued on June 20, 1978, after full consideration of the allegations in said motion and after

Page 205

weighing the reasons presented in said motion, 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 thirteenth day of July, 1978.

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NH.PUC*07/18/78*[78100]*63 NH PUC 206*Town of Greenland

[Go to End of 78100]

Re Town of Greenland

DT 78-45, Order No. 13,223

63 NH PUC 206

New Hampshire Public Utilities Commission

July 18, 1978

PETITION for authority to establish a public railroad crossing; granted.

CROSSINGS, § 38 — Establishment — Substitution of public for private crossing.

[N.H.] A municipality's petition for authority to lay out and construct a public railroad crossing where a private crossing existed for the purpose of servicing a proposed housing development was granted by the commission where visibility was reasonably good in all directions and the cost of constructing alternate access roads was prohibitive.

APPEARANCES: Norman Stahl for the town of Greenland; John E. O'Keefe for the Boston and Maine Corporation Trustees.

BY THE COMMISSION:

Report

By petition filed April 5, 1978, the town of Greenland seeks to lay out and construct a public crossing over the track of the Boston and Maine Corporation in the town of Greenland at Engineering Station No. 266 + 65 to service a development known as Bay Shore Estates. Hearing thereon was held at Concord on May 15, 1978. A brief was filed by counsel for the town of Greenland.

The Bay Shore Estates subdivision has been approved by the town of Greenland subject to the approval of a public crossing leading to the development.

The development is located on land bordered on the north by Great bay, on the west by Shaw brook, on the south by the Boston and Maine Corporation right of way, and on the east by the Winnicut river. The only entrance satisfactory to the developers requires a grade crossing across the tracks leading from Caswell drive which in turn intersects with Winnicut road and Bayside road. Any other access is claimed to require a bridge over the Winnicut river on the east or Shaw brook on the west, both of which involve marsh land. Visibility is reasonably good in all directions with occasional limitation caused by growth of trees in the northeast and southeast quadrants.

There are no plans for constructing any building within 150 feet of the proposed crossing. Photographs taken during the winter indicate that the track is tangent for a considerable distance at each approach and practically level. The

Page 206

highway approaches are at right angles to the track with a slightly descending grade on each approach. The present private crossing and approaches were installed in 1973, paid for by Rye Development, predecessors to the C & L Construction Company, who is developing the Bay Shore Estates. Approximately \$50,000 has been invested to date in the crossing and approaches with a total investment in the property of \$250,000.

The C & L Construction Corporation presently has a private crossing at the location of the proposed public crossing. It is this crossing, together with the approaches thereto, that is proposed to be laid out as a public crossing in a manner satisfactory to acceptance by the town of Greenland that is the subject of this petition. The owner of C & L Construction is also the developer of Bay Shore Estates. A public crossing known as Tide Mill is located approximately 1,500 feet east of the proposed crossing while Bayside and Weeks crossing are located about one mile and 1,500 feet west of the site respectively. It is the position of the town and of the developer that it is too costly to construct an access road from either of these highways on the north side of the railroad tracks, because of the required bridging, marsh land, and additional land that would have to be acquired, all of which would combine to defeat the entire project. Although no detailed study has been made to determine the actual cost of an alternate access, it is indicated that the conditions are self-evident that the costs would be prohibitive when it is considered that the project includes approximately 28 residential lots.

The petition is opposed by the Boston and Maine Corporation, on the basis that a change

from the present private crossing (which is the subject of an agreement with insurance responsibility) to a public crossing will place the corporation in a position to assume all liability for accidents which may occur. In other words, if the corporation did not have any financial risk or responsibility, it would not oppose the petition. It is within the authority of this commission to apportion costs of construction and certain matters concerning maintenance, but we have no authority to designate or adjudicate responsibilities or obligations incurred as a result of accidents.

Train service consists of one round trip five days per week, Monday through Friday, performed by the Portsmouth switcher with one additional round trip performed approximately three times per week at maximum speeds of 15 miles per hour.

Estimates as to the cost of automatic protection, consisting of flashing lights with a 750-foot circuit at each approach are given at \$40,000, while if gates are included it would increase to between \$55,000 and \$60,000.

The only crossing in the area which provides automatic protection is the intersection of Route 101.

The facts presented in this petition indicate that there is sufficient land to provide 28 attractive subdivisions between the railroad right of way and Great bay, which is bordered on the east and west by marsh land, a river or a brook, and a fish and game preserve.

It is incumbent on the railroad corporation, pursuant to RSA 373:1, to provide a crossing for persons whose lands are separated or divided from a public highway by a railroad. The fact that a private crossing has already been constructed under an agreement between the landowner and the railroad corporation indicates that this provision has been complied with. However, if it becomes a public crossing, this commis-

Page 207

sion cannot require that the present agreement providing for insurance against injuries must be continued.

Upon consideration of all the facts, the commission is of the opinion that the town should be permitted to lay out and construct a public crossing at Engineering Station No. 266 + 65, the cost of which is to be borne by the town. Since the crossing is already in place, a taking of that land within the railroad right of way shall be required. Only such further work as may be necessary to comply with the town's requirements shall be required.

The commission is further of the opinion that the installation of stop signs at the right-hand side of each approach shall be installed at a point not less than 15 feet, nor more than 25 feet, from the center of the crossing, and that the town of Greenland shall bear all costs incident to the taking of the land, such as may be necessary on the crossing and approaches and the installation and maintenance of stop signs and the cost of installing whistle posts. Our order will issue accordingly.

Order

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

Ordered, that the town of Greenland be, and hereby is, authorized to lay out and construct a public crossing in the town of Greenland across the Portsmouth branch of the Boston and Maine Corporation at Engineering Station 266 + 65, which is the location of a present private crossing of C & L Construction Corporation; and it is

Further ordered, that the said crossing shall be protected by the installation of stop signs at the right-hand side of each highway approach to said crossing, at a distance of not less than 15 feet, nor more than 25 feet, from the center of the track, and the Boston and Maine Corporation shall install whistle posts at each approach at a distance of 50 rods from said crossing; and it is

Further ordered, that the cost of laying out, construction, and installation of whistle posts and stop signs and the maintenance of stop signs shall be borne by the town of Greenland.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of July, 1978.

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NH.PUC*07/18/78*[78101]*63 NH PUC 208*New Hampshire Department of Public Works and Highways

[Go to End of 78101]

Re New Hampshire Department of Public Works and Highways

DT 78-65, Order No. 13,224

63 NH PUC 208

New Hampshire Public Utilities Commission

July 18, 1978

PETITION for authority to make improvements at six railroad crossings; granted.

Page 208

CROSSINGS, § 61 — Reconstruction, relocation, and repair — Reconstruction or alteration.

[N.H.] The Department of Public Works and Highways was granted permission to reconstruct certain railroad crossings and to install or update signals or signs under the Highway Safety Act of 1973 at no cost to the railroad company on whose tracks the crossings were located, where the commission found that the reconstruction would be in the interest of safety.

BY THE COMMISSION:

Order

Whereas, a petition having been filed by the New Hampshire Department of Public Works

and Highways for authority to rehabilitate certain crossings and to install new or updated signals or signs thereat, all of which is to be accomplished under the federal Highway Safety Act of 1973, and

Whereas, the commission is of the opinion that the changes requested in the petition are in the interest of safety, it is

Ordered, that the following changes be, and hereby are, authorized to be accomplished at the crossings as herein specified:

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

Mammoth road (Portsmouth branch)	AAR-DOT 845-757-T	Reconstruction of crossing and installation of new signals to replace the present signals
Valley street (Portsmouth branch)	AAR-DOT 860-940 L	Reconstruction of crossing and installation of new automatic flashing signals
Beech street (Portsmouth branch)	AAR-DOT 860-955 B	Installation of new crossbuck signs
Maple street (Portsmouth branch)	AAR-DOT 860-945 U	Installation of new crossbuck signs
Elm street McLane-Taylor spur track	AAR-DOT 400-750 P	Reconstruction of crossing and installation of new crossbuck signs
South Main street (Goffstown branch)	AAR-DOT 53-987 F	Reconstructin of crossing and installation of new crossbuck signs

and it is

Further ordered, that no portion of the cost of the changes above authorized shall be borne by the Boston and Maine Corporation, all of which will be done in accordance with plans on file with the office of this commission marked DT 78-65 pursuant to the Highway Safety Act of 1973, §§ 203 and 230.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of July, 1978.

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NH.PUC*07/19/78*[78102]*63 NH PUC 210*Concord Electric Company

[Go to End of 78102]

Re Concord Electric Company

DR 78-101, Supplemental Order No. 13,227

63 NH PUC 210

New Hampshire Public Utilities Commission

July 19, 1978

PETITION of electric company seeking a purchased power cost adjustment; suspended pending commission investigation.

BY THE COMMISSION:

Supplemental Order

Whereas, Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on July 11, 1978, filed with this commission a revision of its tariff, NHPUC No. 6 — Electricity, providing for a purchased power cost adjustment of \$0.00253 per kilowatt-hour, said adjustment resulting from the Federal Energy Regulatory Commission approval of a wholesale increase in the cost of electricity, effective July 29, 1978, under bond, to Public Service Company of New Hampshire; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date, August 14, 1978, of tariff, NHPUC No.6 — Electricity, be suspended pending investigation and decision thereon; it is

Ordered, that Second Revised Page 14A of tariff, NHPUC No. 6 — Electricity, of Concord Electric Company be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of July, 1978.

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NH.PUC*07/19/78*[78103]*63 NH PUC 210*Northern View Water Supply Company, Inc.

[Go to End of 78103]

Re Northern View Water Supply Company, Inc.

DE 78-12, Order No. 13,228

63 NH PUC 210

New Hampshire Public Utilities Commission

July 19, 1978

PETITION for exemption from public utility status; denied.

1. PUBLIC UTILITIES, § 3 — In general — Termination of public utility status.

[N.H.] Where a water company sought to be exempted from public utility status on the ground that it did not serve ten or more customers, the commission, which was under a statutory duty to grant the exemption only when consistent with the public good, refused to do so without reaching the question of the number of customers served, because if exempted the company would terminate service to three homeowners, resulting in the unconscionable condition, contrary to the public good, that they provide their own water. p. 211.

2. RATES, § 82 — Jurisdiction of state commissions — As to schedules and rate structures — Initiation or substitution of rates.

[N.H.] Where a water company's minimum

Page 210

charge did not apply to apartment dwellers and resulted in widely disparate payments for homeowners and apartment dwellers, and the company alleged that it was operating at a loss, the commission determined to rectify the situation through a new rate structure and resolved to exercise continuing jurisdiction over the company to assist it in establishing a more equitable rate structure designed to yield sufficient revenues in order for it to operate at a reasonable profit. p. 212.

APPEARANCES: David E. Tardif for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council; E. Bergman, J. V. Cabibi, R. D. Brandt, pro se, representing themselves.

BY THE COMMISSION:

Report

The Northern View Water Supply Co., Inc., is a New Hampshire corporation engaged in the business of providing water service in a limited area in the town of Pembroke. On January 26, 1978, the company filed a petition for exemption from public utility status. A duly noticed hearing was held at the commission office on April 21, 1978.

The company petitions under RSA 362:4 to be exempted from public utility status for two reasons. First, it contends that each apartment building served is a single customer, and thus it serves only five customers in all. It is within the discretion of the commission to exempt a company from utility status when it serves less than ten customers.

Secondly, under the company's present tariff, the company is a losing proposition.

Utility Status

[1] In determining the petition before us, the commission is governed by RSA 362:4 which provides that "every such corporation, company, ... or person shall be *deemed* to be a public utility by reason of the ownership or operation of any water system or part thereof." The statute goes on to give the commission the discretion to find an exemption from utility status if the whole of such water company shall supply a less number of consumers than ten. Such an exemption can only be granted when it is "consistent with the public good."

The record contains the testimony of three single-family residential customers of the Northern View Water Company. These individual homeowners when purchasing their homes which were built by Mr. Scott, the owner of the water company, relied upon the fact that water would be available through a public utility. In the event that the public utility status for the Northern View Water Company is exempted, the record clearly indicates that the company will terminate water service to the three homeowners. The record further clearly indicates that any such decision to alter utility status was to be accompanied by a one- or two-year notice of such a

change. In fact, Mr. Scott of the company has rendered a three-month notice that water service will be terminated to these three single-family residential customers. The resultant effect of such a change would be the necessity for each of the single-family homeowners to provide their own water source at a cost estimated in the vicinity of \$3,000-\$5,000. We find that this is an unconscionable result and that the public good requires that Northern View Water Company continue in existence as a public water utility with the concurrent obligation within its franchised area. This is especially true when the homeowners we

Page 211

are referring to moved into the area and purchased houses relying upon the fact that a public utility would supply them water.

Thus, we do not reach the question of whether or not this company serves less than ten consumers.

RSA 362:4 is thus being strictly construed by this commission. We take note of the fact that the predecessor statute provided for an exemption when the owner of a water system supplied a less number of consumers than thirty. The predecessor statute allowed for such an exemption without the statement that such exemption should be made consistent with the public good. The new and revised statute effective July 3, 1973, provides the exemption when the owner of a water system serves less than ten and states specifically that such exemption can be made only when it is consistent with the public good. It is therefore within the commission's discretion to grant the exemption where the public good will be benefited. In this set of circumstances, such an exemption would be detrimental to the public good, specifically to the customers who would be required to provide their own water system.

RSA 362:4 has as its expressed purpose that any owner of a water system is *deemed* a public utility that is the main and express purpose of the statute, and it should be read in that light.

Tariff Considerations

[2] The company alleges that it is operating at a loss. Effective July 1, 1977, the commission approved a rate increase for the company which included a fixture rate as well as a minimum rate of \$230.40 per customer. This minimum charge, however, does not apply to the apartment dwellers. Thus, Northern View Water Company presently has twelve families living in two six-unit apartment houses sharing \$600 worth of expenses per year and three families occupying three single-family homes, paying approximately \$900 worth of expenses. By simple arithmetic, the apartment families are paying \$50 a year, and the families who occupy single-family homes pay near \$300 a year. Such a difference in rates can be rectified by the establishment of a new rate structure with the approval of this commission. This commission has and will exercise its continuing jurisdiction over this company in assisting it in establishing a more equitable rate structure designed to yield sufficient revenues in order for it to operate at a reasonable profit. Our order will issue accordingly.

Order

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

Ordered, that Northern View Water Supply Co., Inc. is denied its petition for exemption from

public utility status; and it is

Further ordered, that the company bill either the individual apartment occupants and/or the apartment buildings' owner per the fixture rate per apartment.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of July, 1978.

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NH.PUC*07/25/78*[78104]*63 NH PUC 213*New England Power Company

[Go to End of 78104]

Re New England Power Company

DF 78-59, Supplemental Order No. 13,238

63 NH PUC 213

New Hampshire Public Utilities Commission

July 25, 1978

PETITION for authority to issue general and refunding mortgage bonds and to issue and pledge first mortgage bonds; granted.

SECURITY ISSUES, § 106 — Sale price and interest rate — Bonds.

[N.H.] Where an electric company had been authorized to issue and sell its general and refunding mortgage bonds and to issue and pledge its first mortgage bonds as further security for its general and refunding bonds, the commission approved the proposed principal and interest rate for purchase secured by the company through competitive bidding.

BY THE COMMISSION:

Supplemental Order

Whereas, by Order No. 13,184 of this commission, dated June 13, 1978, issued in the above entitled proceeding, New England Power Company was authorized to issue and sell for cash its general and refunding mortgage bonds, Series B, in an aggregate principal amount of \$50 million maturing in not more than thirty years from the date thereof, and to bear such interest rate as will be determined by competitive bidding; and

Whereas, by Order No. 13,184 of this commission dated June 13, 1978, issued in the above entitled proceeding, New England Power Company was authorized to issue and pledge, as further security for its general and refunding mortgage bonds, its first mortgage bonds, Series W, in an aggregate principal amount of \$15 million bearing the same interest rate and having the same maturity as said general and refunding mortgage bonds; and

Whereas, New England Power Company has determined that the bonds shall mature on July 1, 2008; and

Whereas, in compliance with said orders, New England Power Company has secured proposals for the purchase of said general and refunding mortgage bonds, Series B, in a manner satisfactory to the commission, the most favorable offer being 98.589 per cent of the principal amount for \$50 million principal amount of general and refunding mortgage bonds, Series B, bearing interest at the rate of 9.5 per cent per annum, thus establishing a cost of money to the company of 9.6446 per cent per annum to maturity; upon consideration; it is

Ordered, that New England Power Company be, and hereby is, authorized to issue and sell for cash its general and refunding mortgage bonds, Series B, in the amount of \$50 million at a price of 98.589 per cent of the principal amount, said general and refunding bonds to bear interest at the rate of 9.5 per cent per annum, and to issue and pledge its first mortgage bonds, Series W, in the amount of \$15 million bearing the same rate of interest as said general and refunding bonds, Series B, as further security for the general and refunding bonds; and it is

Further ordered, that the authoriza-

Page 213

tion to issue Series B bonds contained herein and in our original order shall be exercised on or before August 31, 1978, and not thereafter, unless such period is extended by order of this commission; and it is

Further ordered, that, except as expressly modified hereby, the authorization contained herein shall be subject to all the terms and conditions stipulated in our original order in this proceeding.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of July, 1978.

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NH.PUC*07/25/78*[78105]*63 NH PUC 214*Public Service Company of New Hampshire et al.

[Go to End of 78105]

Re Public Service Company of New Hampshire et al.

DR 76-46, 30th Supplemental Order No. 13,239

63 NH PUC 214

New Hampshire Public Utilities Commission

July 25, 1978

PETITION of electric companies for authority to apply a fuel adjustment charge to regular monthly billings to their customers; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where electric utilities had filed revisions to their tariffs comprising the monthly calculation of their fuel adjustment charges, the commission found that the filings were in accordance with the applicable provisions of law and that the proposed fuel adjustment charges were just and reasonable, and approved the rate increases.

APPEARANCES: Eaton W. Tarbell, Jr., and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Robert Bover for Exeter & Hampton Electric Company; Mayland Morse, Jr., for New Hampshire Electric Cooperative, Inc.; Kirk L. Ransmeier for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A(II), the commission on July 20, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular August, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statement and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in

Page 214

the state of New Hampshire on July 18, 1978, filed with this commission 21st Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect August 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corp. Woodsville reported that during the month of June, 1978, the total fuel cost billed by Central Vermont was \$3.78. During this same period the total kilowatt-hours sold by Woodsville was 749,148. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of August, 1978, is \$0.00 per hundred kilowatt-hours. Since no fuel adjustment was requested this month, no appearance was made at the commission's hearing.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on July 14, 1978, filed with this commission 55th Revised Page 6 to its tariff NHPUC No. 1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect August 1, 1978. Littleton purchases all of its requirements

from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of June, 1978, was a credit of \$2,143.27. During this same period the total kilowatt-hours sold by Littleton was 2,811,879. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of August, 1978, is a credit of eight cents per hundred kilowatt-hours to be refunded.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on July 10, 1978, filed with this commission 45th Revised Page 9A to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect August 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of June, 1978, the total fuel cost billed by Public Service was \$19,560. During this same period the total kilowatt-hours sold by Wolfeboro was 1,802,693. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of August, 1978, is \$1.08 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on July 13, 1978, filed with this commission 47th Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect August 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was a credit of \$21,473.71. Total sales to Granite State customers during the same period was 28,037,901 kilowatt-hours. By simple division this yields a credit of \$0.0008 per kilowatt-hour, which is subtracted from the fixed fuel portion of \$0.0124 per kilowatt-hour. Thus, the fuel

Page 215

adjustment charge applicable to bills rendered in the month of August, 1978, is proposed to be \$1.16 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on July 18, 1978, filed with this commission Fourth Revised Page 15 to its tariff NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on August 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of June, 1978, was \$174,431. Total sales by the Co-op during the same month were 20,102,326 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of August, 1978, is 87 cents per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on July 18, 1978, filed with this

commission 16th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect August 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of June, 1978, the total fuel cost billed by Central Vermont was \$56. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 11,314,033. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of August, 1978, is \$0.00 per hundred kilowatt-hours. Since no fuel adjustment was requested this month, no appearance was made at the commission's hearing.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on July 12, 1978, filed with this commission 37th Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect August 1, 1978. Exeter and Hampton Electric purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of June, 1978, was \$246,335.99. Total sales by Exeter and Hampton during the same period were 22,729,438 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of August, 1978, is \$1.08 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on July 11, 1978, filed with this commission 41st Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect August 1, 1978. Concord Electric Company purchases all of its requirements

Page 216

from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of June, 1978, was \$224,385. Total sales during that same period were 22,064,251 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of August, 1978, is \$1.02 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on July 20, 1978, filed with this commission Third Revised Pages 17, 18 to its tariff, NHPUC No. 22 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect August 1, 1978.

Public Service presented estimated figures at the hearing. Such estimates were necessary because of a delay in receiving actual data from the New England Power Exchange. Page 18 of the company's estimated fuel surcharge filing for August, 1978, indicates that fuel costs above base for the data month of June, 1978, were \$4,438,881. During this same period the

kilowatt-hours subject to the fuel adjustment were 407,369,000. By simple division and rounded this yields \$1.09 per hundred kilowatt-hours to be applied to customers bills rendered in August, 1978.

The proposed fuel surcharge for August represents a seven cent increase over the fuel surcharge for July. The increase is primarily attributed to several causes: (1) lack of an agreement in June, 1978, with Central Maine Power Co. to swap capacity power with Public Service Company receiving mostly nuclear generated power for fossil fuel capacity units; (2) Merrimack Unit No. 2 began its scheduled maintenance; (3) a decrease in energy provided by hydroelectric and nuclear plants; and (4) an increase in fossil fuel costs. These increases were partially offset by a decrease in energy lost and unaccounted for.

The record contains a full explanation of the unscheduled outages at Merrimack Unit No. 2.

Based upon all of the testimony and evidence in the record of this proceeding the commission finds that the proposed fuel adjustment charges for the month of August, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Second Revised Pages 17 and 18 of Public Service Company of New Hampshire tariff NHPUC No. 22 — Electricity, providing for the monthly fuel surcharge of \$1.09 per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978; and it is

Further ordered, that 41st Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.02 per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978; and it is

Further ordered, that 37th Revised Page 16 of Exeter and Hampton Electric Company tariff, NHPUC No. 11 — Electricity, providing for the monthly

Page 217

fuel surcharge of \$1.08 per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978; and it is

Further ordered, that 16th Revised Page 18 of Connecticut Valley Electric Company, Inc., tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$0.00 per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978; and it is

Further ordered, that Fourth Revised Page 15 of New Hampshire Electric Cooperative, Inc., tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of 87 cents per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978; and it is

Further ordered, that 47th Revised Page 15A of Granite State Electric Company tariff,

NHPUC No.8 — Electricity, providing for the monthly fuel surcharge of \$1.16 per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978; and it is

Further ordered, that 45th Revised Page 9A of the Municipal Electric Department of Wolfeboro tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$1.08 per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978; and it is

Further ordered, that 55th Revised Page 6 of Littleton Water and Light Department tariff, NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge credit of eight cents per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978; and it is

Further ordered, that 21st Revised Page 10B of Woodsville Water and Light Department tariff, NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of \$0.00 per hundred kilowatt-hours for the month of August, 1978, be, and hereby is, permitted to become effective August 1, 1978.

The secretary of the commission is hereby directed to issue the above this twenty-fifth day of July, 1978.

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NH.PUC*07/25/78*[78106]*63 NH PUC 218*New Hampshire Department of Public Works and Highways

[Go to End of 78106]

Re New Hampshire Department of Public Works and Highways

DT 78-66, Order No. 13,240

63 NH PUC 218

New Hampshire Public Utilities Commission

July 25, 1978

PETITION for authority to install automatic flashing signals at two railroad crossings; granted.

CROSSINGS, § 68 — Protection and safety — Flagmen, signs, and protection devices.

[N.H.] The Department of Public Works and Highways was authorized to install automatic flashing signals at two railroad crossings under the Highway Safety Act of 1973 at no cost to the railroad on whose

Page 218

tracks the crossings were located where the commission found that the interests of safety would be served by granting the department's petition.

BY THE COMMISSION:

Order

Whereas, by petition filed May 9, 1978, the Department of Public Works and Highways through Federal Aid Project RRO-OOOS (8) T-3223, seeks authority to install automatic lights at two crossings in the town of Stark on the Canadian National Railroad line; one known as Peel crossing, AAR-DOT 171-019-M, 0.05 mile east of Stark; and the other, Frizzell crossing, AAR-DOT 171-021-N, situated 0.48 mile west of Stark, both of which are town road crossings without automatic protection; and

Whereas, the said project has been developed under the federal railroad Highway Safety Act of 1973, §§ 203 and 230, with no portion of the cost to be borne by the Canadian National Railway; and

Whereas, the commission is of the opinion that the interests of safety will be served by the granting of the petition; it is

Ordered, that the New Hampshire Department of Public Works and Highways be, and hereby is, authorized to install automatic flashing lights at Peel crossing as identified above with masts and lights, together with back lights located at the right-hand side of each highway approach, and at the Frizzell crossing as identified as above with three masts with automatic lights, one at the right-hand side and one at the left-hand side at the easterly approach for westbound vehicles, and the third mast at the right-hand side at the westerly approach for eastbound vehicles, in a manner satisfactory to this commission, as provided for in plans on file at this office marked DT 78-66, and in accordance with an agreement between the said petitioner and the Canadian National Railway; and it is

Further ordered, that no portion of the cost of installation shall be borne by the Canadian National Railway.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of July, 1978.

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NH.PUC*07/25/78*[78107]*63 NH PUC 219*Exeter and Hampton Electric Company

[Go to End of 78107]

Re Exeter and Hampton Electric Company

DR 78-101, Second Supplemental Order No. 13,241

63 NH PUC 219

New Hampshire Public Utilities Commission

July 25, 1978

PETITION of electric company seeking purchased power cost adjustment; suspended pending commission investigation.

Page 219

BY THE COMMISSION:

Supplemental Order

Whereas, Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on July 14, 1978, filed with this commission a revision of its tariff, NHPUC No. 11 — Electricity, providing for a purchased power cost adjustment of \$0.00257 per kilowatt-hour, said adjustment resulting from the Federal Energy Regulatory Commission approval of a wholesale increase in the cost of electricity, effective July 29, 1978, under bond, to Public Service Company of New Hampshire; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date, August 14, 1978, of tariff, NHPUC No. 11 — Electricity, be suspended pending investigation and decision thereon; it is

Ordered, that Second Revised Page 15A of tariff, NHPUC No. 11 — Electricity, of Exeter and Hampton Electric Company be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of July, 1978.

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NH.PUC*07/25/78*[78108]*63 NH PUC 220*New Hampshire Department of Public Works and Highways

[Go to End of 78108]

Re New Hampshire Department of Public Works and Highways

DT 78-86, Order No. 13,242

63 NH PUC 220

New Hampshire Public Utilities Commission

July 25, 1978

PETITION for authority to construct a bridge structure over railroad tracks; granted.

RAILROADS, § 22 — Construction and equipment — Bridges.

[N.H.] The Department of Public Works and Highways was authorized to construct a new bridge over railroad tracks and close an existing grade crossing where the commission found that

the interest of public safety required the construction and that the proposed clearances were adequate for railroad requirements in the area.

APPEARANCES: Roderick Cyr for the petitioner; and John E. O'Keefe for the Boston and Maine Corporation.

BY THE COMMISSION:

Report

By petition filed June 1, 1978, the New Hampshire Department of Public Works and Highways seeks authority to construct an overhead highway bridge over the Newington spur track of the Boston and Maine Corporation in the city of Portsmouth. Hearing thereon was held at Concord on June 19, 1978.

Kearsarge Way leads generally in an

Page 220

easterly direction from New Hampshire Route 16 to a land development between the Newington spur track and the Piscataqua river. It formerly crossed via a wooden overhead bridge which because of its condition was posted for light loads in 1972 and closed to traffic in 1974 and replaced by a temporary grade crossing.

Federal Aid Project, Portsmouth M-5379 (008) C-2441-H has now been developed to provide for a new overhead bridge to cross the main line and a main line spur, thus eliminating the requirement for continuing the temporary grade crossing.

The estimated cost of the project is in the vicinity of \$600,000, 30 per cent of which will be paid for by the city of Portsmouth and the balance of 70 per cent by the federal government.

The overhead clearance of the structure will provide 18 feet 6 inches over the spur track and 22 feet 6 inches over the main line. The horizontal clearance will be 20 feet from the main line and 24 feet from the spur track.

The city of Portsmouth will maintain the structure following the construction. The cost and maintenance is the subject of an agreement, a copy of which has been introduced in this proceeding.

Upon consideration of all the facts, the commission is of the opinion that public safety requires the granting of the petition and that the clearances as proposed are adequate for railroad requirements in the area.

The commission is also of the opinion that upon the opening of the proposed structure to public travel, the public safety requires the closing of the existing grade crossing. 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 Department of Public Works and Highways be, and hereby

is, authorized to construct an overhead bridge over the tracks of the Newington spur of the Boston and Maine Corporation in the city of Portsmouth in accordance with plans on file at this office and in an agreement entered into, a copy of which is also on file with this office, both of which are marked DT 78-86 with no portion of the costs to be borne by the railroad corporation; and it is

Further ordered, that upon opening of the overhead bridge as authorized herein to public travel the adjacent grade crossing be closed.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of July, 1978.

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NH.PUC*07/27/78*[78109]*63 NH PUC 222*New Hampshire Department of Public Works and Highways

[Go to End of 78109]

Re New Hampshire Department of Public Works and Highways

DT 78-116, Order No. 13,246

63 NH PUC 222

New Hampshire Public Utilities Commission

July 27, 1978

PETITION for authority to reconstruct railroad crossings and install or replace protective devices; granted.

CROSSINGS, § 61 — Reconstruction, relocation, and repair — Reconstruction or alteration.

[N.H.] Where the commission believed that the rehabilitation of certain railroad crossings was in the interest of safety to the traveling public, it authorized the Department of Public Works and Highways to reconstruct the crossings and install or replace protective devices under proposals pursuant to the Highway Safety Act of 1973.

BY THE COMMISSION:

Order

Whereas, the New Hampshire Department of Public Works and Highways, pursuant to the federal Highway Aid Program under the federal Highway Safety Act of 1973, §§ 203 and 230, has submitted five proposals for improvements in the replacement of automatic signals, the rehabilitation of crossings, installation of new signals, and replacement of crossbuck signals; and

Whereas, the commission is of the opinion that each of the proposed projects is in the public interest and recently required in the interest of safety to the traveling public at the grade

crossings involved; it is

Ordered, that the changes as outlined below be authorized:

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

Federal Aid Project RRO-000S(3) Grissom lane (Joy crossing) Replace all present automatic flashing lights with automatic flashing lights and gates	Project C2935 city of Claremont AAR-DOT 52-795K
Federal Aid Project RRO-000S(4) Ferry road Replace signals	Project C2936 city of Claremont AAR-DOT 52-797 Y
Federal Aid Project RRO-000S(6) Jimtown road Installation of new automatic flashing signals	Project T-3139 town of Gorham AAR-DOT 53-708H
Federal Aid Project TQF-03501(10) New Hampshire Route 3 Replacement of crossbuck signs	Project AAR-DOT town of Northumberland 53-717 G
Federal Aid Project RRO-000S(7) Church street Installation of new crossbuck signs	Project T2949-B town of Northumberland 53-718N

Page 222

and it is

Further ordered, that changes herein authorized shall be accomplished in compliance with plans on file with this commission, marked DT 78-116.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of July, 1978.

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NH.PUC*07/28/78*[78110]*63 NH PUC 223*Robert W. Meserve et al. Trustees of the Property of the Boston and Maine Corporation

[Go to End of 78110]

Re Robert W. Meserve et al. Trustees of the Property of the Boston and Maine Corporation

DT 77-182, Order No. 13,247

63 NH PUC 223

New Hampshire Public Utilities Commission

July 28, 1978

PETITION for authority to establish a private grade crossing, change the status of a grade crossing from public to private, and restrict use of private crossing to pedestrian and emergency vehicle use only; granted.

1. CROSSINGS, § 41 — Establishment — Division of cost.

[N.H.] A railroad corporation was granted permission to construct a private grade crossing where the construction costs were to be borne by the municipality and maintenance costs borne by the railroad. p. 224.

2. CROSSINGS, § 75 — Crossings for private or limited use — Generally.

[N.H.] Where the parties in interest had agreed to reimburse a railroad corporation for the future maintenance and protection of a railroad crossing, the commission granted a change in the status of the crossing from public to private. p. 224.

3. CROSSINGS, § 75 — Crossings for private or limited use — Generally.

[N.H.] Restriction of the use of a private railroad crossing to pedestrian and emergency vehicle traffic only was permitted by the commission where changing conditions no longer made it necessary for motor vehicle traffic to use the crossing. p. 224.

APPEARANCES: John E. O'Keefe for the trustees of the Boston and Maine Corporation.

BY THE COMMISSION:

Report

By petition filed December 27, 1977, the trustees of the Boston and Maine Corporation seeks authority to provide certain changes in crossings over its main line south of the city of Manchester, most of which are the result of the construction of an interceptor sewer.

A private grade crossing is requested to be installed at Engineering Station 827+10. The Byron street grade crossing, a public crossing, is proposed to be changed to a private crossing. Hancock street is presently a private crossing which crosses the main line and the yard tracks of the railroad corporation. It is proposed to close this to vehicular traffic, reduce its width from 15 feet to ten feet, making it available for pedestrian use only and emergency vehicular traffic. Hearing thereon was held at Concord on

Page 223

January 30, 1978, at which no one appeared in opposition to the granting of the petition.

These charges involve improvement in traffic conditions with respect to industries in the general area located along and adjacent to the Boston and Maine tracks. Parties directly interested are, in addition to the city of Manchester, the Foster Grant, Inc., the American Velcro Company, and the Granite State Packing Company.

[1] The proposed private crossing at Engineering Station 827+10 will provide access from the Brown avenue section of Manchester, via Sundial street, east of the railroad right of way to a future entrance of Dunbar street, which is west of the railroad right of way. This series of streets leads to the Manchester sewerage treatment plant.

The American Velcro Company is also located on the west side of the railroad property and will be served by this crossing.

The city of Manchester pursuant to an agreement reached with the railroad trustees will bear the expense of the construction of this crossing, but it will be maintained by the railroad corporation and will be protected by the installation and maintenance of automatic crossing signals.

[2] The Foster Grant Company owns property on both sides of the railroad right of way and is presently served by Byron street. A portion of this street is a public highway and the remainder a private road, but the crossing itself is a public crossing and is protected by automatic flashing lights. An agreement has been entered into with the Foster Grant Company, Inc. and the Granite State Packing Company and the trustees of the railroad corporation whereby those firms will reimburse the railroad for future maintenance of this crossing and its protection with its status being changed from a public to a private crossing.

This crossing will also be used by officers, employees, and patrons and business interests serving the Foster Grant Company, the Granite State Packing Company, and the American Velcro Company.

[3] The present private crossing at Hancock street has been made available largely for the use of the Granite State Packing Company facilities. Because of a planned expansion of this concern, together with the increase in number of employees, additional parking space is to be made accessible by Sundial and Byron street. It will no longer be necessary for motor vehicle traffic to use the Hancock street crossing. It is proposed to eliminate motor vehicle traffic from this crossing, but to make it available for emergency use and to continue a pedestrian crossing at this location. The width of the crossing, however, would be reduced to approximately ten feet in width.

Arrangements have been reached by the interested parties for the cost of installation of signals as required, and the maintenance of proper insurance coverage in case of accidents. The Foster Grant Company has granted an easement to the railroad for land on which access to the parking area will be provided.

The private crossing referred to in this case as Dunbar street was installed as a private way for construction purposes, the construction company having paid \$30,000 for the crossing and protection devices. This is a 90 per cent angle crossing, and the plans provide for installation of flashing signals with automatic short arm gates. This installation is designed

Page 224

to activate the signals upon the approach of trains to provide a 35-second warning based on a 20-mile per hour speed of trains. The present protection will be continued at the Byron street crossing. No protection is required for the pedestrian crossing at Dunbar street. Train speeds at this crossing are conducted at approximately ten miles per hour because of a limitation against higher speeds in the yard area just north of this crossing.

It is apparent from the testimony submitted in this proceeding that this proposal is the result of considerable planning for access to this industrial area. Agreements have been reached by the industries, the city of Manchester, and the railroad corporation relative to the changes as proposed and the commission, on this basis, feels that the changes petitioned for should be

granted. Our order will issue accordingly.

Order

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

Ordered, that the trustees of the Boston and Maine Corporation be, and hereby are, authorized to make certain changes in crossings concerning its main line south of Manchester as follows:

"Laying out and constructing a new private crossing at Engineering Station 827+10 to be accomplished at the expense of the city of Manchester, said crossing to be protected by the installation of automatic lights and gates, the cost and installation of which will also be borne by the city of Manchester with future maintenance to be assumed by the railroad corporation.
"Byron Street: Authority is hereby granted to close Byron street crossing as a public crossing and to continue the same as a private crossing at grade to be protected by automatic lights and gates substantially as presently installed.

"Hancock Street: Authority is hereby granted to close Hancock street to vehicular traffic continuing the same as a pedestrian crossing, subject, however, to emergency use by motor vehicles." and, it is

Further ordered, that the changes herein authorized shall be in accordance with a plan on file with this commission, marked DT 77-182, and subject to a memorandum of understanding entered into by the trustees of the Boston and Maine Corporation, the city of Manchester, the Foster Grant Company, Inc., the American Velcro Company, and the Granite State Packing Company, also on file with this commission, marked DT 77-182.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of July, 1978.

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NH.PUC*07/28/78*[78111]*63 NH PUC 226*Manchester Gas Company

[Go to End of 78111]

Re Manchester Gas Company

DF 78-119, Order No. 13,248

63 NH PUC 226

New Hampshire Public Utilities Commission

July 28, 1978

PETITION for authority to issue and sell first mortgage bonds; granted.

SECURITY ISSUES, § 58 — Purposes and subjects of capitalization — Additions and betterments.

[N.H.] A gas company was granted authority to issue additional first mortgage bonds where the company proposed to apply the proceeds from the sale to the payment of indebtedness incurred for, or to the cost of, fixed plant additions and for other lawful corporate purposes and where the necessary corporate authorizations were submitted in evidence at the hearing.

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

BY THE COMMISSION:

Report

By this unopposed petition, filed July 5, 1978, Manchester Gas Company (the company) seeks authority to issue additional first mortgage bonds. At the hearing on the petition, held in Concord on July 19, 1978, the company represented that it is a corporation, organized under the laws of the state of New Hampshire having a principal place of business in the city of Manchester, New Hampshire, engaged as a public utility in the purchase, manufacture, distribution, and sale of natural and manufactured gas.

As of May 31, 1978, the company had outstanding 228,818 shares of common stock of a par value of \$5 per share; 6,986 shares of preferred stock of a par value of \$100 per share; \$1 million of first mortgage bonds, 6 per cent series, due 1992; \$840,000 of first mortgage bonds, 8 per cent series, due 1993; and \$275,108 secured notes.

As of May 31, 1978, the company also had outstanding short-term notes payable in the aggregate principal amount of \$650,000.

As of the date of the hearing, July 19, 1978, the company had outstanding short-term notes payable in the aggregate principal amount of \$850,000.

The company proposes to issue and sell to Teachers Insurance and Annuity Association of America (TIAA) for cash at par \$1 million of first mortgage bonds, 9.875 per cent due 1993 under its present indenture of mortgage, and a third supplemental indenture.

In anticipation of projected financing requirements late in 1977, the company explored various methods and sources of mortgage money. In April, 1978, TIAA made a commitment to loan the money, substantially on terms as outlined in the petition and at the hearing. The commitment by TIAA to the company at 9.875 per cent represents a favorable financing and compares favorably with the current Moody's Baa rating of utilities.

The company proposes to apply the proceeds from the sale of said bonds to the payment of indebtedness incurred for, or to the cost of, fixed plant additions and for other lawful corporate purposes.

The company submitted in evidence

Page 226

its balance sheet as of May 31, 1978, as per books and pro forma to reflect the sale of the additional bonds.

Certified copies of the necessary corporate authorizations were submitted in evidence at the hearing.

Based on the foregoing balance sheet of the company and on the issuance of \$1 million principal amount of bonds, the pro forma capitalization ratios of the company is first mortgage bonds and notes 43.6 per cent, preferred stock 9.8 per cent, and common equity 46.6 per cent.

Upon investigation and consideration of the evidence submitted, the commission is of the opinion that the granting of the authorization 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 Manchester Gas Company be, and hereby is, authorized to issue and sell for cash its first mortgage bonds, 9.875 per cent, due 1993, at a par in an aggregate principal amount of \$1 million; and it is

Further ordered, that the proceeds from the sale of said first mortgage bonds be applied to the payment of indebtedness incurred for, or the cost of, or to the reimbursement of the treasury of the company for extensions, enlargements, and additions to the plant and property of the company, and for other lawful corporate purposes; and it is

Further ordered, that Manchester Gas Company be, and hereby is, authorized to mortgage its present and future property, tangible and intangible, including franchises and to further secure the present mortgage by its third supplemental indenture thereto as security for its outstanding first mortgage bonds; and it is

Further ordered, that this authorization to issue first mortgage bonds contained herein shall be exercised on or before November 1, 1978; and it is

Further ordered, that on or before January 1st and July 1st in each year, said Manchester Gas 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 securities 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 July, 1978.

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NH.PUC*07/31/78*[78112]*63 NH PUC 227*Claremont Gas Light Company

[Go to End of 78112]

Re Claremont Gas Light Company

DF 78-121, Supplemental Order No. 13,250

63 NH PUC 227

New Hampshire Public Utilities Commission

July 31, 1978

PETITION for authority to issue short-term notes; granted.

Page 227

SECURITY ISSUES, § 29 — Commission jurisdiction — As to sale of securities.

[N.H.] A gas company's petition for authority to issue short-term notes was granted where the issuance of the notes and the mortgage of the company's present and future property, tangible and intangible, including franchises as security for the notes, was found consistent with the public good.

BY THE COMMISSION:

Supplemental Order

Whereas, Claremont Gas Light Company on July 6, 1978, sought authority pursuant to RSA 369 to issue its short-term note, or notes, in an amount not exceeding \$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, at a scheduled advertised hearing held on July 26, 1978, 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, the 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 \$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 1st and July 1st 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 thirty-first day of July, 1978.

=====

NH.PUC*08/01/78*[78113]*63 NH PUC 228*Purchased Power Cost Adjustment for Electric Utilities

[Go to End of 78113]

Re Purchased Power Cost Adjustment for Electric Utilities

DR 78-101, Supplemental Order No. 13,252

63 NH PUC 228

New Hampshire Public Utilities Commission

August 1, 1978

ORDER allowing purchased power cost adjustments for certain electric utilities.

Page 228

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] The commission permitted the pass-through of purchased power costs by electric utilities where their power supplier had been granted an increase in the wholesale cost of electricity from the Federal Energy Regulatory Commission.

BY THE COMMISSION:

Supplemental Order

Whereas, the following electric public utilities filed with this commission revisions of their tariffs providing for the purchased power cost adjustments shown:

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

<i>Utility</i>	<i>Tariff</i>	<i>Dale Filed</i>	<i>PPCA Surcharge</i>
Concord Electric Company	NHPUC No. 6	July 11, 1978	\$.00253
Exeter and Hampton Electric Company	NHPUC No. 11	July 14, 1978	.00257
New Hampshire Electric Cooperative, Inc.	NHPUC No. 8	June 5, 1978	.0023
Wolfeboro Municipal Electric Department	NHPUC No. 4	June 27, 1978	.71 %

and

Whereas, these purchased power cost adjustments result from Federal Energy Regulatory Commission approval to the Public Service Company of New Hampshire to place in effect, under bond, on July 29, 1978, an increase in its wholesale cost of electricity; and

Whereas, this commission has no jurisdiction over said increase; and

Whereas, pass-through of these added costs is essential to the operation of said companies, and in the best interest of the public; it is

Ordered, that suspensions of the filing of Concord Electric Company, by Order No. 13,227;

of Exeter and Hampton Electric Company, by Order No. 13,241; and of New Hampshire Electric Cooperative, Inc., by Order No. 13,191, be, and hereby are, removed; and the respective purchased power cost adjustments allowed as of the dates specified; and it is

Further ordered; that Original Page 9B-2 of Wolfeboro Municipal Electric Department tariff, NHPUC No. 4, previously suspended by commission Order No. 13,220, be, and hereby is, rejected; and it is

Further ordered, that Wolfeboro Municipal Electric Department file a revised purchased power cost adjustment as First Revised Page 11B of its proposed tariff, NHPUC No. 5.

By order of the Public Utilities Commission of New Hampshire this first day of August, 1978.

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NH.PUC*08/01/78*[78114]*63 NH PUC 229*Crystal Laundry and Dry Cleaners, Inc.

[Go to End of 78114]

Re Crystal Laundry and Dry Cleaners, Inc.

DT 78-28, Order No. 13,253

63 NH PUC 229

New Hampshire Public Utilities Commission

August 1, 1978

PETITION to have a railroad corporation construct a private grade crossing; granted.

Page 229

CROSSINGS, § 33 — Establishment — Benefit or detriment to property.

[N.H.] A railroad corporation, which claimed it had no statutory duty to construct a private grade crossing to service a proposed shopping development because the property was not separated from the public highway by its tracks and an alternate access to the development existed, was ordered to construct the crossing, with all costs to be borne by the petitioning merchant, where the commission found it was unfair to deprive the improvement of land usage simply because a spur track existed adjacent to the property.

APPEARANCES: Robert F. McNeil for petitioner Crystal Laundry and Dry Cleaners, Inc.; John E. O'Keefe for the Boston and Maine Corporation Trustees.

BY THE COMMISSION:

Report

By petition filed March 13, 1978, the Crystal Laundry and Dry Cleaners, Inc. of Manchester seeks a private crossing over the Valley street spur track of the Boston and Maine Corporation in the city of Manchester. Hearing thereon was held at Concord on May 22, 1978.

Petitioner is the owner of land in the city of Manchester, bounded on the north by Valley street, on the west by Union street, on the south by Merrill street, and on the east by the land of the Agway Corporation. General dimensions of this are 200 feet east and west and 150 feet north and south.

Access to the property consists of a 36-foot wide driveway from Union street beginning at a point 30 feet from its southerly boundary, two 25-foot wide driveways from Merrill street, described as a narrow side street, the westerly one commencing approximately 35 feet from the westerly bound and the second approximately 25 feet from the easterly bound.

By this petition additional access is desired consisting of a 36-foot wide driveway from Valley street commencing 85 feet east of its westerly bound.

Between the northerly bound of the lot and Valley street is located a spur track of the Boston and Maine Corporation which is necessary to cross to obtain access to and from Valley street. The Boston and Maine Corporation has refused a private crossing on the basis that access is already available to the property and there is no legal requirement for a grade crossing.

A proposed development is submitted consisting of a food store, approximately 40 by 60 feet and three rental retail stores, each approximately 18 feet wide and 60 feet in length. The building containing these facilities would be placed adjacent to the southerly boundary of the lot between the 25-foot access driveways from Merrill street and would include a parking area for ten cars along its westerly edge with a five-foot concrete walkway between the parking area and the store entrances. In the northwest corner of the lot, a service station would be installed with three 8,000-gallon gasoline storage tanks placed in the ground between the parking lots above described and the northerly boundary of the lot. The 36-foot wide access which is desired from the Valley street entrance would be located just east of the location of these tanks and it is proposed that servicing from tank trucks to these tanks would be provided through the use of this entrance and the grade crossing of the railroad track.

Near the easterly bound of the lot there would be 13 parking areas and it is proposed that there would be five such

Page 230

spaces on the northerly side of the store building.

It is the position of the petitioner that the only feasible method of entering and departing from that lot requires the proposed access from Valley street. Without this, backing and turning will be required by the trailer type vehicles that will be servicing the area, not only for the gasoline tanks but other types of tractor trailer transporters will be delivering supplies to the area. Without such a facility, it will be impossible to develop this lot for the purpose intended.

The Boston and Maine Corporation is strenuously opposed to the creation of an additional grade crossing on its Valley street spur track. It is the position of the trustees of this corporation

that the statute does not require a private crossing unless the property is divided or separated from a public highway by a railroad track. In this case with access already provided from Union street and from Merrill street, it claims no responsibility for providing an additional access, particularly when a grade crossing is required to accomplish this.

The proposed development area has been approved by the Manchester planning board on the basis that only one access should be provided to and from Valley street.

It is apparent from the testimony submitted in this proceeding that an opportunity is available to develop a relatively small lot for industrial purposes. Testimony was introduced to indicate that an employee of the railroad industrial division now retired recommended in 1970 the granting of the crossing substantially as requested herein, but the matter was not progressed further at that time.

The Valley street spur travels a considerable distance along Valley street from a switching connection with the Portsmouth branch at its easterly terminal and is of a descending grade throughout its length. Other commercial property is located on the south side of the spur and it is understood that requests have, in the past, been made to the railroad corporation for providing crossings, all of which have been refused. None of these have previously been brought to the attention of this commission as in the instant case.

The record is silent as to the number of train movements made on this spur, but it is reasonable to assume that it is available for use whenever a demand exists for the service. The fact that the number of train movements have not been submitted may be due to very infrequent use in which case it would seem unfair to deprive the improvement of land usage simply because a spur track exists adjacent to the property. Under the circumstances, however, it does not appear within reason to require the railroad to provide such a crossing at its own expense.

Upon consideration of all the facts, the commission is of the opinion that the Boston and Maine Corporation should provide a crossing, but that the cost of the same and the installation of approaches thereto shall be borne by the petitioner. Our order will issue accordingly.

Order

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

Ordered, that the Boston and Maine Corporation shall construct a private crossing over its Valley street spur track, adjacent to the Crystal Laundry and Dry Cleaners, Inc. in accordance with plans on file with the office of this commission, marked DT 78-28; and it is

Page 231

Further ordered, that the cost of the construction of the crossing, together with its approaches, shall be borne by the said Crystal Laundry and Dry Cleaners, Inc.

By order of the Public Utilities Commission of New Hampshire this first day of August, 1978.

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NH.PUC*08/01/78*[78115]*63 NH PUC 232*Francestown Electric and Water Company et al.

[Go to End of 78115]

Re Francestown Electric and Water Company et al.

DE 78-97, Order No. 13,254

63 NH PUC 232

New Hampshire Public Utilities Commission

August 1, 1978

PETITION for authority to discontinue operations and for exemption from utility status; granted.

1. PUBLIC UTILITIES, § 4 — Termination of public utility status — By disposal of property.

[N.H.] The transfer of an electric and water company's operations to a newly formed water company was permitted by the commission where the absence of objections led it to believe it was in the public interest to allow the transferor to discontinue operation as a public utility through transfer of its assets. p. 232.

2. PUBLIC UTILITIES, § 16 — Test of public utility character — Acts, intentions, and declarations.

[N.H.] Where the transferee of a water utility sought to be exempted from public utility status but acknowledged that it would be a public utility by the obligation to provide and distribute water, the commission found that state statutes precluded exemption from utility status. p. 233.

APPEARANCES: John Arnold for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

[1] On June 5, 1978, the commission received a petition from Francestown Electric and Water Company, a public utility in the town of Francestown, state of New Hampshire, providing water service to 54 residences. Said petition sought to discontinue its operation as a public utility and to transfer all assets to be the newly formed Francestown Village Water Company, a voluntary corporation organized under RSA 292. The Francestown Village Water Company simultaneously filed a petition seeking exemption from public utility status.

On June 22, 1978, a duly noticed public hearing was held at the commission's offices to hear testimony on both petitions. The costs for major improvements to the water system cannot be financed by Francestown Electric and Water Company with its existing corporate structure. The Francestown Village Water Company, however, as a nonprofit corporation, qualifies for low-cost

federal financing; and it therefore will be in a position to make needed improvements to the system.

All testimony supported transfer of operations to the Francestown Village Water Company, and the absence of mailed or telephoned objections has led to the conclusion that such is in the best interests of the general public.

[2] It is noted that the petition of Francestown Village Water Company acknowledged the obligation and purpose of the company to provide and distribute water for the village of the town of Francestown. Although the petition seeks to be exempt from utility status, the petitioner acknowledges that they shall be a public utility. In this regard the revised statutes of New Hampshire preclude exemption from utility status. Our order will issue accordingly.

Order

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

Ordered, that Francestown Electric and Water Company be, and hereby is, removed from public utility status; and it is

Further ordered, that Francestown Village Water Company be, and hereby is, granted public water utility status to serve the enfranchised area of Francestown shown on maps filed with this commission and the present customers of the aforesaid company.

By order of the Public Utilities Commission of New Hampshire this first day of August, 1978.

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NH.PUC*08/02/78*[78116]*63 NH PUC 233*Wilton Telephone Company

[Go to End of 78116]

Re Wilton Telephone Company

DR 78-124, Supplemental Order No. 13,255

63 NH PUC 233

New Hampshire Public Utilities Commission

August 2, 1978

ORDER regarding telephone company's requested tariff revisions.

BY THE COMMISSION:

Supplemental Order

Whereas, Wilton Telephone Company, a public utility engaged in supplying telephone service in the state of New Hampshire, on June 13, 1978, filed with this commission certain

revisions of its tariff, NHPUC No. 4 — Telephone, incorporating Monadnock Communications Center Service, custom calling service, restoral of service, key telephone systems, and service charges; and

Whereas, the commission suspended the filing by issuing Order No. 13,219, effective July 12, 1978, for further investigation and suggested administrative changes to be made by the company; and

Whereas, certain administrative corrections have been made and now appear to be satisfactory; and

Whereas, Section 3, Original Pages 6C and 6D (custom calling service, EAX

Page 233

central office) is premature in that a tariff filing has not been made with this commission for approval for this service; it is

Ordered, that EAX services, Section 3, Original Pages 6C and 6D, be, and hereby are, rejected; and it is

Further ordered, that Section 3, Original Page 6B, Second Revised Page 20, and First Revised Pages 35, 39; Section 4, First Revised Pages 3A of Wilton Telephone Company tariff, NHPUC No. 4, be, and hereby are, approved, effective as of the date of this order; and it is

Further ordered, that a one-time publication of this tariff filing be made showing a summary of accepted rates for services provided.

By order of the Public Utilities Commission of New Hampshire this second day of August, 1978.

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NH.PUC*08/02/78*[78117]*63 NH PUC 234*Hudson Water Company

[Go to End of 78117]

Re Hudson Water Company

IR 14,797, Order No. 13,258

63 NH PUC 234

New Hampshire Public Utilities Commission

August 2, 1978

ORDER conditionally approving a special contract for service at rates other than a water company's tariff rates.

SERVICE, § 152 — Terms and conditions of service — Applications and contracts.

[N.H.] Where a water company filed with the commission a special contract for the provision of service at rates other than those fixed by its tariff, the commission found that circumstances existed which rendered the terms of the contract just and consistent with the public interest and made the contract conditionally effective subject to any changes resulting from a decision in a subsequent tariff petition.

BY THE COMMISSION:

Order

Whereas, Hudson Water Company, a utility selling water under the jurisdiction of this commission, has filed with this commission a copy of its Special Contract No. 13 with Adam Estates effective on the date service first taken or sixty days after service first made available, whichever is earlier, for water service at rates other than those fixed by its schedule of general application; and

Whereas, this commission is authorized, by RSA 378:18 to consider and allow special contracts for service at rates other than those fixed by a public utility's schedule of general application, namely its tariff; and

Whereas, the aforementioned contract provides for rates other than those fixed by the commission; and

Whereas, this commission is aware that a proposed tariff stands suspended which may, after future consideration and decision by this commission, replace certain provisions of that tariff; and

Whereas, these changes may affect the terms proposed by the aforementioned contract; and

Page 234

Whereas, it appears in this case to be in the interests of the public that the petitioner and customer identified in Special Contract No. 13 should be controlled by further tariff changes resulting from that tariff proposal; and

Whereas, upon investigation and consideration, this commission is of the opinion that circumstances exist relative thereto, which render the terms and conditions of this contract just and consistent with the public interest; it is

Ordered, that said contract become conditionally effective as of the effective date thereof subject to any relevant changes which may result from our decision in the next subsequent tariff petition.

By order of the Public Utilities Commission of New Hampshire this second day of August, 1978.

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NH.PUC*08/03/78*[78118]*63 NH PUC 235*New Hampshire Department of Public Works and Highways

[Go to End of 78118]

Re New Hampshire Department of Public Works and Highways

DT 77-80, Second Supplemental Order No. 13,259

63 NH PUC 235

New Hampshire Public Utilities Commission

August 3, 1978

PETITION for authority to construct a temporary grade crossing; granted.

CROSSINGS, § 39 — Establishment — Temporary grade crossings.

[N.H.] Where due to the construction of a bridge designed to pass over railroad tracks the present grade crossing would be obstructed, the Department of Public Works and Highways was authorized to construct a temporary grade crossing and to protect that crossing by relocating the automatic signals protecting the present grade crossing.

BY THE COMMISSION:

Supplemental Order

Whereas, Order No. 12,818, issued July 5, 1977, authorized the construction of three overhead bridges, one of which provides an overhead bridge which carries the southbound lane of the Spaulding turnpike over the tracks of the Farmington branch of the Boston and Maine Corporation at Engineering Station No. 596+98; and

Whereas, during the construction of the overpass wingwall the present grade crossing will be blocked to traffic; and

Whereas, it is desired to install a temporary crossing to be located approximately 57 feet southerly of the existing grade crossing; and

Whereas, the signals at the existing crossing will be relocated to protect the temporary grade crossing; and

Whereas, the commission is of the opinion that the construction plans require the granting of the petition; it is

Ordered, that the New Hampshire Department of Public Works and Highways be, and hereby is, authorized

Page 235

to construct a temporary grade crossing over the track of the Boston and Maine Corporation Farmington branch at a point 57 feet south of the existing grade crossing; and it is

Further ordered, that the said crossing authorized herein shall be protected by the relocation of the automatic signals protecting the present grade crossing; and it is

Further ordered, that upon completion of the project the temporary crossing authorized herein shall be closed.

By order of the Public Utilities Commission of New Hampshire this third day of August, 1978.

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NH.PUC*08/03/78*[78119]*63 NH PUC 236*New Hampshire Department of Public Works and Highways

[Go to End of 78119]

Re New Hampshire Department of Public Works and Highways

DT 78-131, Order No. 13,260

63 NH PUC 236

New Hampshire Public Utilities Commission

August 3, 1978

PETITION for authority to reconstruct and rehabilitate railroad crossings and crossing protection; granted.

CROSSINGS, § 65 — Reconstruction, relocation and repair — Repair and maintenance.

[N.H.] The Department of Public Works and Highways was granted authority to rehabilitate certain railroad crossings and install or update signals under provisions of the Highway Safety Act of 1973 with no portion of the cost allocable to the railroad where the changes were in the interest of public safety.

BY THE COMMISSION:

Order

Whereas, a petition having been filed by the New Hampshire Department of Public Works and Highways for authority to rehabilitate certain crossings and to install new or updated signals there at, all of which is to be accomplished under the provisions of the federal Highway Safety Act of 1978, §§ 203 and 230; and

Whereas, the commission is of the opinion that the changes requested in the petition are in the interest of safety to the public; it is

Ordered, that the following changes be and hereby are authorized to be accomplished at the crossings specified in the city of Nashua:

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

Bridge street	AAR-DOT 53 234R	Rehabilitation of the crossing and automatic protection signals
East Hollis street	AAR-DOT 53 233T	Rehabilitation of the crossing and automatic protection signals
East Hollis street	AAR-DOT 844 260A	Rehabilitation of the crossing and automatic protection signals

Page 236

Further ordered, that the changes authorized herein shall be accomplished in accordance with the plans on file at the office of this commission marked DT 78-131; and it is

Further ordered, that no portion of the cost of the changes shall be borne by the Boston and Maine Corporation.

By order of the Public Utilities Commission of New Hampshire this third day of August, 1978.

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NH.PUC*08/04/78*[78120]*63 NH PUC 237*Golden Brook Water System, Inc.

[Go to End of 78120]

Re Golden Brook Water System, Inc.

DE 77-38, Supplemental Order No. 13,261

63 NH PUC 237

New Hampshire Public Utilities Commission

August 4, 1978

PETITION of a water company for authority to increase rates; granted.

RATES, § 35 — Jurisdiction, powers, and duties of state commissions — Power to pass on former rates.

[N.H.] Following a rate proceeding which had been unnecessarily prolonged and in which the commission had encountered difficulty obtaining needed financial data, a water company submitted information establishing to the commission's satisfaction that its earlier determination was not correct and that an adjustment was necessary and, notwithstanding a deviation from its rules of procedure, the commission found that the principle of fairness dictated the making of a corrected finding.

APPEARANCES: James A. Sayer, Jr., for the petitioner.

BY THE COMMISSION:

Report

By petition filed March 25, 1975, Golden Brook Water Systems, Inc. of Windham, New Hampshire, sought authority as a public utility in a granted franchise area to have a certain water rate authorized for its operations. Authority was granted by Order No. 12,786. Order No. 13,164 provided the rate structure to implement the company's water tariff.

Unfortunately these proceedings before the commission were delayed and unnecessarily prolonged. The commission's staff encountered difficulties in getting the petitioner to apply for the proper authority and then encountered further difficulties in trying to obtain needed financial data from the petitioner. On May 31, 1978, the commission, based on the evidence and data before it, rendered its report and issued Order No. 13,164. The petitioner now sets before the commission data that adequately establishes to the satisfaction of the staff and the commission that the rate base calculation was not correct and further submits that an adjustment should be made. Notwithstanding the deviation from the commission's rules of procedure, the principles of fairness dictate that a corrected finding be made and a proper order issued in accordance with the following:

Rate Base

In the initial report and order the com-

Page 237

mission accepted \$19,440 as the original installation cost of the system. From this figure accumulated depreciation of \$3,174 was subtracted as well as \$14,000 of contributions in aid of construction. From information provided by attorney Sayer, two months after the effective date of the original order we recognize that the \$14,000 was handled incorrectly. It had already been removed from a gross original cost basis for the system of \$33,440 to net the \$19,440 figure taken from Mr. Armstrong's 1976 federal income tax return. Since we are adjusting the original cost basis, the average accumulated depreciation must also be adjusted.

Thus the revised rate base is computed as follows:

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

\$ 33,440	Original Cost Basis
-14,000	Contributions in Aid of Construction
- 5,460	Average Accumulated Depreciation
+ 1,570	Working Capital
<hr/>	
\$ 15,550	Total Rate Base

Cost of Capital

Remains unchanged at 9.1 per cent.

Expenses

We will not change our original findings with regard to operation and maintenance expenses, taxes, and amortization expenses.

Since the rate base has been adjusted, so must the allowance for depreciation expense. We therefore accept the amount requested in the company's Exh 3A, or \$867.

Thus the total expenses we accept are:

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

Operation and Maintenance	\$4,710
Depreciation	867
Tax Expense	236
Amortization	921
	—
\$6,734	

Revenue Requirement

The required return in this case is simply computed by multiplying the accepted rate base, \$15,550, by the accepted cost of capital, 9.1 per cent. The result is \$1,415.

Thus the adjusted revenue requirement becomes \$8,149.

In computing the rate to customers, the tariff should be based on the number of customers as of the date of this report and order.

The remaining sections of the original report remain unchanged.

Our order will issue accordingly.

Supplemental Order

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

Ordered, that new tariff pages for metered and unmetered service be submitted which will provide revenues in the amount of \$8,149, such increases to be distributed in the same manner as those proposed in the original submission; and it is

Further ordered, that the revised tariff pages will be given further consideration by this commission, and that final approval of such pages shall be in the form of a supplemental order of this commission.

By order of the Public Utilities Commission of New Hampshire this fourth day of August, 1978.

=====

NH.PUC*08/08/78*[78121]*63 NH PUC 239*Wolfeboro Municipal Electric Department

[Go to End of 78121]

Re Wolfeboro Municipal Electric Department

DR 78-68, Order No. 13,264

63 NH PUC 239

New Hampshire Public Utilities Commission

August 8, 1978

PETITION of an electric utility for authority to change rates; granted.

RATES, § 162 — Reasonableness — Factors affecting reasonableness — Public interest.

[N.H.] The commission permitted a municipal electric utility to adopt a revised tariff providing for the fold-in of a purchased power adjustment surcharge and reducing the rates to all classes of service with the exception of certain customers in the primary class and street lighting where the commission found that the tariff as proposed was in the public interest.

APPEARANCES: Dennis Bean for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

By petition filed April 27, 1978, the Wolfeboro Municipal Electric Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire insofar as it provides service outside of its municipal boundaries, seeks to adopt and institute tariff, NHPUC No. 5 — Electricity, providing for revised rates, effective June 1, 1978.

This revised tariff includes a fold-in of the present purchased power adjustment surcharge of 17.83 per cent and has a net effect of reducing the rates to all classes of service with the exception of six customers in the primary class and street lighting.

At a public hearing held at the offices of the commission on July 26, 1978, there were no objections voiced to the implementation of this revised tariff, it being noted that the only customers that come under the jurisdiction of this commission are those who will receive the benefit of a reduction in rates.

Through a reapportionment, based on a cost-of-service study, resulting in a net cost-of-service reduction of approximately \$73,293 (8.5 per cent), it appears to this commission that the tariff as herein proposed is 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 Wolfeboro Municipal Electric Department be, and hereby is, authorized to enact tariff NHPUC No. 5 — Electricity to become effective on all bills rendered on or after the date of this order.

By order of the Public Utilities Commission of New Hampshire this eighth day of August, 1978.

=====

NH.PUC*08/08/78*[78122]*63 NH PUC 240*Concord Electric Company

[Go to End of 78122]

Re Concord Electric Company

DR 77-142, Second Supplemental Order No. 13,265

63 NH PUC 240

New Hampshire Public Utilities Commission

August 8, 1978

PETITION for an increase in rates; granted with modifications.

1. EXPENSES, § 109 — Treatment of particular kinds of expenses — Property taxes.

[N.H.] An electric company's estimate of property taxes based on a ten-year historical rate of change in the taxes was rejected by the commission in favor of a recommended adjustment based on the actual tax figure for the first six months following the test year which became available after the company's filing and which was pro formed for the next six months of the year following the test year using the percentage increase experienced. p. 241.

2. EXPENSES, § 92 — Treatment of particular kinds of expenses — Amortization of rate case expenses.

[N.H.] The commission directed an electric company to make necessary adjustments to its test-year expenses to defer and amortize over an appropriate period as rate case expenses the costs of a depreciation study and a cost-of-service study. p. 242.

3. VALUATION, § 287 — Working capital — Generally.

[N.H.] The balance sheet approach for calculating an electric company's working capital allowance was accepted by the commission because it more nearly reflected the company's requirement and because that approach (1) used actual data recorded monthly; (2) provided a true match between rate base and all sources of capital by considering all items in the balance sheet; and (3) had computational ease. p. 243.

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

[N.H.] Where the commission found that neither the dividend yield-payout ratio formula nor the comparable earnings approach was appropriate for the calculation of an electric company's cost of common equity because both methods contained deficiencies and weaknesses, the commission set the percentage for the common equity at the midpoint of the percentages derived using those methods. p. 244.

5. RETURN, § 35 — Factors affecting reasonableness — Economic conditions — Attrition.

[N.H.] The commission granted a 0.5 per cent attrition allowance to an electric company which had been experiencing a decline in its rate of return where the 0.2 per cent attrition allowance awarded in the company's last rate case had not eliminated the erosion of the company's net income. p. 245.

APPEARANCES: Sulloway, Hollis, Godfrey and Soden, by Joseph S. Ransmeier and Franklin Hollis for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

This proceeding was initiated on September 30, 1977, when Concord Electric Company (hereinafter referred to as the "company"), a public utility engaged in the distribution of electric service in the central part of New Hampshire, filed with this commission revisions to its tariff, NHPUC No. 6 providing for the implementation of a 6.2 per cent increase to the present rates, and were designed to generate an annual gross revenue increase of \$714,000. In this filing, the company requested that the new rates become effective on October 30, 1977.

Page 240

On October 30, 1977, pursuant to the authority vested in this commission by RSA 378:6, the proposed rate increase was suspended pending an investigation and public hearing in compliance with RSA 378:5.

The commission order of notice dated January 27, 1978, provided that a hearing be held at the office of the commission on March 14, 1978. Further hearings were held on March 22, May 11, 17, 23, 30, and April 18, 1978.

On May 11, 1978, the commission heard the company's request to make the existing rates temporary rates, and by Order No. 13,206 dated June 30, 1978, the request was granted.

At the commencement of the hearings, counsel for the company in his opening statement stated that considerable erosion has taken place in the company's earned rate of return since the last rate increase in 1974, effective January 30, 1975; that this present request is only the second request since the mid 1930's; that Douglas MacDonald, vice president and general manager, would testify to rate base and revenue requirements; Mr. Thomas Sherman, treasurer, would testify to cost of capital and rate of return; and Rich and B. Davis would testify to rate design.

Counsel for the Legislative Utility Consumers' Council, in his opening remarks, stated that there are three basic areas of concern; first, the dollar amount that needs to be granted; secondly, the customer classes that should bear the increase; and finally, the allocation of the increase to only the initial kilowatt-hour usage block and customer charge. He further stated that Mr. Ben Johnson, an economist, would testify for the LUCC.

Test-year Expenses

The company submitted the actual results of operations for the year ended June 30, 1977. Various pro forma adjustments were submitted in the original filing, and as a result of cross-examination, further adjustments were made by the company. There are areas of both agreement and disagreement between all parties in this case. We will first address the adjustments on which all parties agree and then address the items of disagreement.

The company, the LUCC, and the staff agree that the following adjustments be made to net operating income:

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

<i>Description</i>	<i>Increase (Decrease)</i>
1. Amortization of Wiring Allowance	\$ 23,429
2. Allocation of Payroll Taxes and Pension costs to Nonoperating Income	22,408
3. Payroll	(42,119)
4. Payroll Taxes	(2,784)
5. Adjustment for Excess Federal Income Tax	(14,247)
6. Federal Income Tax Equalization	19,163
7. Nonrecurring Legal Expenses	1,489

[1] The Legislative Utility Consumers' Council (LUCC) and the company have arrived at adjustments to property taxes using as a basis the total property tax change from calendar year 1976 and 1977. The company used an estimate based on the ten-year historical rate of change in property taxes. The LUCC recommends that the adjustment be made based on the known property

Page 241

taxes which become available after the company's filing. The staff has recommended an adjustment of \$4,750 based on the known utility property taxes for calendar year 1977. They have recommended a pro forma adjustment using known amounts for the period ending December 31, 1977, and using the percentage increase actually experienced in 1977 to pro form for the first six months of 1978. We will accept the staff's recommendation.

The company submitted a revised adjustment for insurance of \$2,869 based upon actual 1977 insurance expense adjusted for allocations to nonoperating operations. The LUCC has recommended the full denial of the pro forma adjustment for insurance. The requested denial is based upon the fact that the company has submitted different amounts charged to test-year expense in its original and revised exhibits and an analysis of LUCC Exh 9. The staff has analyzed the company's expenses for the calendar year 1977 and finds that the revised Exh 17F should be accepted as submitted. The LUCC in its analysis of Exh 9 failed to account for Account 924, property insurance, and the expense credited to clearing accounts.

The company and the LUCC agree to the amount of the pro forma depreciation expense adjustment of \$27,691. The staff recommends an additional downward adjustment of \$2,822. The staff's recommendation is based upon an analysis of depreciation expense recorded by the company in Account 390, structures and improvements. The company's calculation includes depreciation expense for leasehold improvements to the Boston office. This office has been phased out and since the end of the test year the company's reports do not include this item as a cost. We find it improper to apply a higher depreciation rate than the company's depreciation study indicates. The depreciation rate used for leasehold improvements is 11.339 per cent compared to 2.319 per cent for the remaining items in this account. When combined this provides an inflated rate of 2.539 which the company has applied to the remaining items in this account to arrive at a pro forma adjustment. We will accept the staff's recommended adjustment of \$24,869.

[2] The LUCC has recommended the exclusion of \$12,481 of test-year expenses for outside service or amortization of that amount over a five-year period. These expenses include \$4,678

for a cost-of-service study and \$7,803 for a depreciation study. An examination of the record indicates that the LUCC recommendation is based upon data for a period other than the test year. The company maintains that \$1,521 has been included for the cost-of-service study and has restated the test-year expenses by excluding that amount. The company further maintains that \$2,434 has been included in test-year expenses for the depreciation study and as that amount is approximately equal to one year of amortization of the total cost, no adjustment should be made. Staff recommends acceptance of the company's position and that the entire cost-of-service study expense be included in rate case expenses to be recouped. Examination of data submitted by the company indicates that both of the aforementioned studies have been expenses in calendar year 1977. The company should make the necessary adjustments to defer these costs and amortize them over an appropriate period.

The test-year net operating income is calculated as follows:

Page 242

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

Net Utility Operating Income per Books	\$862,212
Pro Forma Adjustments:	
Amortization of wiring allowances	\$(23,429)
Allocation of payroll taxes and pension costs to nonoperating income	(22,408)
Payroll increases	42,119
Payroll taxes	2,784
Local property taxes	4,750
Insurance	2,869
Cost-of-service study	(1,521)
Nonrecurring legal expenses	(1,489)
Total expense adjustments	3,675
Combined income tax effect @ 50.325%	1,849
Net expense adjustment	1,826
Depreciation adjustment	24,869
Excess federal income tax allocated to nonutility income	14,247
Federal Income Tax equalization	(19,163)
Decrease in Net Utility Operating Income	21,779
Pro Forma Net Utility Operating Income	\$840,422

Rate Base

[3] The company submitted computations showing an average rate base of \$10,018,795. During the hearings the net investment in plant in the amount of \$9,166,629 was accepted by all parties. However, the LUCC, the company, and the staff disagreed on the calculations of working capital. The company utilized the FPC formula in arriving at its expense allowance portion of the working capital computation, then added materials and supplies, prepayments, and deferred fuel and purchased power costs. The LUCC claims that by using the balance sheet approach the company's allowance for prepayments, materials and supplies, and the expense allowance overstates the working capital requirements. The company in the rebuttal testimony of Mr. MacDonald presented a balance sheet approach to justify the \$180,448 submitted as its expense allowance. Mr. MacDonald's Exh 37 presents an average working capital of \$185,357. That exhibit does not take into account that the amounts for materials and supplies and

prepayments should be eliminated from his exhibit in order to be comparable. The LUCC and the staff agree that \$185,357 should be used as an expense allowance. We will accept that because it more nearly reflects the working capital requirements of the company. As we stated in the recent Granite State Electric Company rate case (DR 77-63), "This approach (1) uses actual data recorded monthly; (2) provides a true match between rate base (including working capital); and all sources of capital by considering all items in the balance sheet; and (3) has computational ease."

In the past we have allowed unrecovered fuel costs as an item of working capital. The company has sought to include \$513,724 in its computation of working capital. We will allow that amount to be included. The LUCC has sought to exclude deferred federal income taxes from that amount. The company has testified and the staff agrees that the accounting procedures used do not afford the company the opportunity to show a profit or loss in this item. Therefore, we will deny the LUCC request to exclude the amount for taxes.

We find the rate base to be as follows:

Page 243

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

Net Investment in Plant	\$9,166,629
Working Capital:	
Expense Allowance	185,357
Deferred Fuel & PPA Costs	513,724
Total Working Capital	699,081
Gross Rate Base	9,865,710
Less: Reserve for Deferred Federal Income Taxes	160,866
Rate Base	\$9,704,844

Fair Rate of Return

[4] Concord Electric Company witness Sherman testified that the company should be allowed a 15 per cent cost of common equity. In determining the 15 per cent cost of common equity, Mr. Sherman used a formula by which the current dividend yield is divided by the company's proposed payout ratio. Specifically, Mr. Sherman uses a 9 per cent current dividend yield and a 60 per cent payout ratio to calculate the 15 per cent cost of common equity.

Generally, the relationship between dividends paid out and the earnings per share or payout ratio, is an important ingredient in the investment quality of any common stock. The margin of earnings above dividends, or surplus, is viewed by the investor as a cushion for continued dividends and as a measure of the prospect for higher dividends in the future. Therefore, in seeking to determine the cost of common equity, or adequate compensation to the investor, the dividend yield-payout ratio formula does embrace certain essential components for consideration. While this formula has been held to constitute a sound basis for the purpose of fixing the reasonableness of rates,^{*(1)} the commission finds that the formula has deficiencies and weaknesses and, thus, standing alone, is an unsatisfactory guide in determining the cost of common equity. Mr. Sherman's formula, for example, does not include risk factors, past and

future growth in retained earnings, or company size. Although relative riskiness and company size were discussed in the record, these factors are not reflected in the Sherman formula.

Legislative Utility Consumers' Council presented witness Johnson who gave as his opinion that the cost of common equity fell within a range of 12.25 per cent to 13.25 per cent using the so-called comparable earnings approach. Although we have adopted the comparable earnings approach in other rate cases before this commission, the Johnson analysis using this approach in this particular case reveals certain deficiencies which must be adjusted to reflect the specific situation we have before us. Mr. Johnson uses as a data base Standard & Poor's 400 Industrials, Moody's 125 Industrials, and AT&T. These companies are significantly different in size and risk from Concord Electric Company. (Concord Electric Company Brief IV — 14, 19.) We find further that Concord Electric has no bond rating and has common stock which is unlisted and only trades sporadically, whereas the companies used by Mr. Johnson have bond ratings and are marketed securities. Also, we note that adoption of the Johnson cost of common equity would dilute the ownership interest of existing stockholders (see Concord Electric Company Brief IV — 23).

In determining the return on the value of the property of a utility, we are guided

Page 244

by the principles of the *Bluefield Water Works & Improv. Co. v West Virginia Pub. Service Commission*, 262 US 679, PUR1923D 23 and *Federal Power Commission v Hope Nat. Gas Co.* (1944)320 US 591 51 PUR NS 193 which both emphasize a return "commensurate with returns of investments in other *enterprises having corresponding risk*," 320 US 591, 603. We find that the Johnson analysis, although an acceptable method, does not compare Concord Electric with companies having corresponding risks and thus his conclusions must be adjusted.

Every method of computing the cost of common equity involves a host of judgment decisions. It was Sherman's judgment that the dividend yield should be 9 per cent, the payout should be 60 per cent and thus the cost of common equity should be 15 per cent. It was Johnson's judgment that although the opportunity cost of equity capital of industrials is 13.5 per cent to 14.5 per cent, the cost of equity capital to electricians is 12.25 per cent to 13.25 per cent.

After a painstaking review of all the evidence regarding the cost of common equity, which is hereinabove briefly summarized, and of the claims and contentions raised in the briefs of the parties, our conclusion is that the percentage to be applied for the common equity component is between the extremes of Johnson's midpoint of 12.75 per cent and Sherman's 15 per cent. We, thus, adjust Sherman's formula downward because of its deficiencies and adjust upward Johnson's formula for its deficiencies and arrive at a cost of common equity of 13.8 per cent. This 13.8 per cent cost of common equity is fair and reasonable for this case at this time.

Our adopted cost of capital is derived as follows:

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

	<i>Per Cent of Capital Structure</i>	<i>Weighted Cost</i>	<i>Cost</i>
Common Equity	37.24	13.80	5.14
Preferred Stock	11.80	9.81	1.16
Long-term Debt	50.96	8.24	4.20

The result being 10.50 per cent $\frac{100.00}{10.50}$

Attrition

[5] Company witness MacDonald testifies that an attrition allowance of 1.125 per cent annually is needed. MacDonald Exh 36 for the years 1973-77 show an average decline in the company's earned rate of return after elimination of the 1974 rate case of a factor 0.734 per cent. In sharp contrast to the company testimony, LUCG witness Johnson testifies that there is no need for attrition in this rate case. Johnson goes so far as to say that accretion had occurred in this company over the recent past.

Looking at the recent past, we have some indication of what will happen in the near future. The company was last granted a rate increase as a result of its 1974 rate case (DR 74-1). During the pendency of those proceedings the company (as of July 10, 1974) was allowed to collect temporary rates. The permanent rates were approved January 15,

Page 245

1975, based on a 9.8 per cent rate of return and a 0.20 per cent attrition allowance for an overall fair rate of return of 10 per cent. These rates became effective January 15, 1975, and were collected along with a surcharge based on the prior temporary rate order. This surcharge was fully recouped by August, 1975.

Company Exh 12 shows actual earned rates of return for certain periods of time. For the twelve months ending September 30, 1974, the actual earned rate of return was 10.7. This was above the overall fair rate of return allowed by the commission in the last rate case. This return reflects in part the collection of the surcharge heretofore mentioned.

For the twelve months ending September 30, 1976, the actual earned rate of return was 9.28. The rate of decline over this time period was 1.43 per cent. And, for the twelve months ending September 30, 1977, the actual earned rate of return was 8.76 per cent or a rate of decline over that 12-month period of 0.52 per cent.

Simple averaging of the actual earned rates of return in the three periods above mentioned yields an arithmetical average of 9.58 per cent. Thus, over a three-year period, during part of which the company was collecting a surcharge for revenues due them under a temporary order of July 10, 1974, the company had an average actual earned rate of return of 9.58 per cent.

In each of the three periods discussed above, a 0.2 per cent attrition allowance was in effect. The actual data shows that this allowance has not eliminated the erosion of the company's net income.

If this commission had allowed a 0.4 per cent attrition allowance in 1974 then the company's actual earned rate of return at September 30, 1975, would have been 10.91 per cent; and, at September 30, 1976, would have been 9.48 per cent; and at September 30, 1977, would have been 8.96 per cent. A simple arithmetic average of these rates of return (based on a 0.4 per cent attrition allowance) yields a 9.78 per cent three-year average earned rate of return. This rate of return more closely approximates the 9.8 per cent rate of return before attrition found necessary

by the commission for the company in 1975.

Attrition is the rate of decline in actual earned rates of return over time. In the case of the Concord Electric Company the average rate of decline over time can be computed. For the period 1973-77 (as shown in MacDonald Exh 36) we see that the average decline of the company's rate of return after elimination of the 1974 rate increase was 0.734 per cent. The commission recognizes that it cannot grant rate increases in these inflationary times which will sustain the company's earned rate of return for many years to come. The commission also recognizes, however, that it has no obligation to investigate any rate matter which it has investigated within a period of two years (RSA 378:7), although it may do so at its discretion. Considering also the great time and expense involved in increasingly lengthy rate cases, the commission ought to issue rate decisions which will sustain a company's actual earned rate of return for at least that two-year period from the date of the last rate decision. This should be a minimum goal and, if possible, the earned rate of return of the company should be sustained beyond the two-year period.

In the New England Telephone and Telegraph case ([1973] 113 NH 92, 98 PUR3d 253), the supreme court stated at p. 96 of 113 NH that the commission's duty is " ... to fix a rate of return which will meet the constitutional standards not only at the time of its order but for a reasonable time thereafter," and it followed this statement with an express

Page 246

reference to the two-year statute cited above. This commission recognizes its responsibility in this regard.

Company witness MacDonald urges a 1.125 per cent attrition allowance while LUCC witness Johnson urges no allowance at all. Our examination of the years 1975, 1976, and 1977 (supra) shows that a 0.4 per cent attrition factor would have nearly sustained the rate of return at 9.8 per cent over a three-year period. We also recognize and consider numerous pro forma adjustments made in the company filing which have the effect of offsetting or delaying the onset of attrition. Our best judgment based upon all of the evidence is that an attrition allowance of 0.5 per cent will sustain the company's actual earned rate of return "not only at the time its order is made but for a reasonable period of time thereafter." (113 NH at p. 96, 98 PUR3d 253.)

Revenue Requirement

As previously stated, we accept a rate base of \$9,704,844, a cost of capital of 10.50 per cent, and an allowance for attrition of 0.50 per cent.

Multiplying the rate base by 11 per cent yields 51,067,533 which we will use as the required net utility operating income.

The accepted pro forma net utility operating income for the test year was \$840,422. Therefore, the shortfall in net utility operating income was \$227,111. Adjusting that figure for taxes (0.49675) per the methodology utilized in company Exh 15, yields a required revenue increase of \$457,193.

Rate Structure

The company proposed, in its original filing for an increase of \$714,000, that the increase be applied against its major customer classes as follows:

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

Class	Increase	Per Cent
		Increase
Residential	\$531,411	11.4
General	30,469	0.8
Industrial	124,639	4.7
Outdoor Lighting	27,481	7.4
Total Company	\$714,000	6.2

This proposal was on the basis that cost studies made by the company indicated that the residential class was failing substantially to earn its fair share of the company overall average rate of return. The 1976 cost study showed earned rates of return by classes of customers as follows:

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

Class	Rate of	
	Return	Index
Residential	2.32%	0.25
General	20.77	2.20
Industrial	16.17	1.71
Outdoor Lighting	14.19	1.50
Total Company	9.44%	1.00

By reference to the index column, assuming the total company return as unity (1.00), it can be seen that the residential return is producing only 25 per cent of its theoretical fair share, while the general class is producing over twice as much as it should, etc. It is this imbalance that the company seeks to correct, and we think properly so.

In its 1974 rate case (DR 74-1) the company proposed an overall increase of 9 per cent, with 21.7 per cent from the residential class, in an attempt to correct this same imbalance of class returns as shown by a 1971 cost study. Such imbalance had apparently developed over a long period of rate stability since the last major rate case many years ago. The 1971 cost study showed class returns of:

Page 247

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

Class	Rate of	
	Return	Index
Residential	0.13%	0.02
General	21.55	3.15
Industrial	15.95	2.33
Outdoor Lighting	8.14	1.19
Total Company	6.84	1.00

Because the 1971 cost study was not considered to be sufficiently current, and because of strong staff feelings that the method of cost allocation whereby the residential class was assigned 46.8 per cent of the capacity allocation was defective, the commission decision in the 1974 case

ordered the increase to be applied. equally to all classes of service. The new 1976 cost-of-service study filed in this case used a combination of two generally well recognized methods of cost allocation, differing from another well-known method (average and excess demand) used in the first study to which the commission staff objected.

The following table shows the remarkably close results obtained by use of three methods:

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

Customer Class	Rate of Return	
	PR/NCP ⁽¹⁾	NCP ⁽²⁾
	(a)	(b)
Residential	2.32%	2.34%
General	20.77	20.84
Industrial	16.17	15.71
Outdoor Lighting	14.91	14.96
Total Company	9.44%	9.44%

(1)Combination of Peak Responsibility and Noncoincident Peak – Basis

of 1974 Cost Study

(2)Noncoincident Peak

(3)Average and Excess Demand – Basis of 1971 Cost Study

We are satisfied on the basis of the above data that the residential rate is substantially deficient in its contribution to total company return and should not, in fairness to other classes, be allowed to continue.

The Legislative Utility Consumers' Council disagrees with the 1976 cost study on the grounds that it shows a higher class return for the residential class than the 1971 report; that some minor expense adjustments involving utility and nonutility property and administrative, general, and miscellaneous expenses are not properly done; and that "the allocators are nothing more than belief that the majority of costs should be allocated to the residential class." This latter comment is not factual. Allocators are developed on the basis of number of customers, energy consumption, and customer demands on the various plant components.

The substance of the cost study is the allocation of plant and major operating expenses. The treatment of general, administrative, and miscellaneous operating expenses has little, if any, effect on the end result. The fact that the return of the residential class is different in 1976 than 1971 merely reflects a different set of circumstances, in revenues, plant investment, expenses, customer use patterns, and methodology. Both studies show the residential class return to be lower than should be allowed to continue indefinitely.

In our judgment it would be unwise to seek to adjust all class returns to 100 per cent of the total company return at one

time. This would call for a 25 per cent to 30 per cent increase in residential rates, with reductions to all other customer classes. The cost-of-service study is a major guide in rate design by virtue of furnishing cost patterns; however, considerable weight must also be given to such matters as existing historical rate forms and customer impact and acceptance. The present rate proposal suggests an increase in the rates, but more in the residential than other classes. The 11 per cent increase proposed in the residential class is within the limits of other companies, and combined with the 1974 case of 11.5 per cent amounts to an increase in basic rates since 1938 of only 23.8 per cent.

Comparing the index of 1976 class returns with those after the impact of the proposed rate increase is shown as follows:

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

<i>Class</i>	<i>Class – Rates of Return</i>			
	<i>Before Rate Increase</i>	<i>After Rate Increase</i>	<i>Index</i>	<i>Per Cent</i>
	<i>Per Cent</i>			
<i>Residential</i>	2.32	0.25	6.36	
<i>General</i>	20.77	2.20	19.43	
<i>Industrial</i>	16.17	1.71	19.77	
<i>Outdoor Lighting</i>	14.19	1.58	15.74	
<i>Total Company</i>	9.44	1.00	11.83	

The rate increase as proposed will in every case move each class return nearer to parity with the company total. The residential class return is improved 100 per cent and the other classes move downward toward unity — the ideal situation, towards which future changes can be directed.

The matter of class returns and adjustments therein is not a new subject to this commission, nor our supreme court. In our opinion, our action in this case is consistent with that in previous major rate cases involving class returns sustained by the court. (See [1953] 98 NH 5, 98 PUR NS 187, and [1959] 102 NH 150 30 PUR3d 61.)

The next consideration, then, is the application of the increase within the class to the class rate structure. In this case, the LUCG objects to the increase being applied only to the customer charge and first energy block of the rate, as opposed to increasing the later blocks covering space heating. The commission recognizes the disparity in return between regular, off-peak, water-heating, and space-heating customers. The total dollars increase allocated to the residential class, however, limits the improvement of the subclass returns in the residential class. The cost study showed that both the customer charge and space-heating rate were below the level of providing a fair return. The increase at the old minimum bill level of the first 20 kwh or less for \$3.52 to the new \$4.80 customer charge (with no kwh's allowed) equates to a 55.43 per cent increase when placed on a comparable basis. This increase applies to all customers including regular water-heating and space-heating. In our judgment it is more sensible and justifiable to approach an improvement in the class returns by increasing all customer bills in the customer charge and initial block up to 250 kwh at a price level of approximately \$15 per month than applying the increase to a handful of space-heating customers at the upper level of the rate structure in the price range of, say, \$50 to \$100 per month.

As has been pointed out in testimony,

these larger use customers have already had a higher percentage increase in rates through operation of the fuel surcharge, wherein flat costs per kilowatt-hour are applied to all blocks of the rate structure, thus producing a higher percentage increase in the lower price tail blocks of the rate.

The subclass returns with related indices before and after the proposed rate increase are as follows:

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

<i>Class</i>	<i>Subclass Rates of Return – Residential</i>	
	<i>Before Rate Increase</i>	<i>Per Cent</i>
<i>Regular Domestic</i>	3.54	
<i>Off-peak Water-heating</i>	0.58	
<i>Space-heating</i>	(0.99)	
<i>Total Residential</i>	2.32	

Here again we see an improvement in the subclass returns, and in which further improvement can be made in subsequent rate changes.

The commission finds that the company should submit a proposed tariff filing based upon the revenues found to be just and reasonable in this report, and structured as set forth above to the extent possible within the limitations of the reduced amount of this increase with respect to the original filing. Our order will issue accordingly.

Supplemental Order

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

Ordered, that First Revised Page 25; Second Revised Pages 16, 17, 19, 20, 21, 24, 28, 29, and 30; Third Revised Page 26; and Second Revised Pages 1 and 2 of Supplement No. 1 of NHPUC No. 6 — Electricity, Concord Electric Company be, and hereby are, rejected; and it is

Further ordered, that Second Revised Page 25; Third Revised Pages 16, 17, 19, 20, 21, 24, 28, 29, and 30; Fourth Revised Page 26; and Third Revised Pages 1 and 2 of Supplement No. 1 of said tariff be filed to reflect an overall increase in revenues of \$457,193 which represents an increase of 3.96 per cent in annual basic rates effective with all current billings rendered on or after August 14, 1978; and it is

Further ordered, that such increase be spread in a manner which satisfies the requirements of the report among and within the various service classes; and it is

Further ordered, that Concord Electric Company file as supplement to its tariff a plan to recoup by surcharge the difference in revenues authorized by temporary rates and the revenues herein authorized, said plan to be devised in accordance with RSA 378:29; and recouped during the calendar year 1978 on some equitable monthly basis; and it is

Further ordered, that Concord Electric Company give public notice of these changes reflected by the newly revised tariff pages through one-time publication in a newspaper having general circulation in the territory served.

By order of the Public Utilities Commission of New Hampshire this eighth day of August, 1978.

FOOTNOTE

*Mississippi Pub. Service Commission v Southern Bell Teleph. & Teleg. Co. (Miss 1956) 16 PUR3d 415.

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NH.PUC*08/10/78*[78123]*63 NH PUC 251*Wolfeboro Municipal Electric Department

[Go to End of 78123]

Re Wolfeboro Municipal Electric Department

DR 78-101, Fourth Supplemental Order No. 13,268

63 NH PUC 251

New Hampshire Public Utilities Commission

August 10, 1978

ORDER regarding municipal electric utility's purchased power cost adjustment cost.

BY THE COMMISSION:

Supplemental Order

Whereas, the Municipal Department of Wolfeboro having filed First Revised Page 11B to its tariff, NHPUC No. 5 — Electricity in compliance with commission Supplemental Order No. 13,252; it is

Ordered, that said First Revised Page 11B is allowed effective to be applied to all billings on, and after, August 14, 1978.

By order of the Public Utilities Commission of New Hampshire this tenth day of August, 1978.

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NH.PUC*08/11/78*[78124]*63 NH PUC 251*Concord Electric Company

[Go to End of 78124]

Re Concord Electric Company

DR 77-142, Third Supplemental Order No. 13,272

63 NH PUC 251

New Hampshire Public Utilities Commission

August 11, 1978

ORDER delaying effective date of authorized rate increase.

RATES, § 249 — Schedules, formalities, and procedure relating to — Effective date.

[N.H.] Where it appeared that the prior ordered effective date of a rate increase did not allow an electric company sufficient time to administer the increase, the commission extended the implementation date without altering the force or effect of other aspects of the prior order.

BY THE COMMISSION:

Supplemental Order

Whereas, the New Hampshire Public Utilities Commission on August 8, 1978, issued Second Supplemental Order No. 13,265 authorizing the Concord Electric Company an overall increase in annual revenues of \$457,193 to be effective with all current billings rendered on or after August 14, 1978; and

Whereas, it appears that the effective date of the rate increase does not allow the company sufficient time to administer the new rate increase; it is

Ordered, that the effective date of the rate increase, authorized in Second Supplemental Order No. 13,265 be, and

Page 251

hereby is, changed to take effect with all current billings rendered on or after September 1, 1978; and it is

Further ordered, that Second Supplemental Order No. 13,265 remains in full force and effect in every other manner and respect.

By order of the Public Utilities Commission of New Hampshire this eleventh day of August, 1978.

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NH.PUC*08/14/78*[78125]*63 NH PUC 252*New Hampshire Electric Cooperative, Inc.

[Go to End of 78125]

Re New Hampshire Electric Cooperative, Inc.

I-R14,800, Order No. 13,273

63 NH PUC 252

New Hampshire Public Utilities Commission

August 14, 1978

PETITION seeking approval of contract providing for electric service; granted.

BY THE COMMISSION:

Order

Whereas, New Hampshire Electric Cooperative, Inc., a utility engaged in selling electricity under the jurisdiction of this commission, has filed with this commission a copy of its Special Contract No. 59 with B & K Land Development Corporation d/b/a Mirra Estates, effective whenever service is made available, 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 fourteenth day of August, 1978.

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NH.PUC*08/14/78*[78126]*63 NH PUC 252*Hudson Water Company

[Go to End of 78126]

Re Hudson Water Company

DR 78-145, Order No. 13,274

63 NH PUC 252

New Hampshire Public Utilities Commission

August 14, 1978

PETITION of water company seeking authority to provide a surcharge; suspended pending commission investigation.

Page 252

BY THE COMMISSION:

Order

Whereas, Hudson Water Company, a public utility engaged in the business of supplying water service in the state of New Hampshire, on August 1, 1978, filed with this commission Supplement No. 1 to its tariff, NHPUC No. 7 — Water, providing for a surcharge, effective October 1, 1978, to be levied on its Hudson customers as an offset to damages allegedly caused

by sewer construction; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Supplement No. 1 to tariff, NHPUC No. 7 — Water of Hudson Water Company be and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of August, 1978.

=====

NH.PUC*08/14/78*[78127]*63 NH PUC 253*Northern Utilities, Inc. et al.

[Go to End of 78127]

Re Northern Utilities, Inc. et al.

DR 78-146, Order No. 13,275

63 NH PUC 253

New Hampshire Public Utilities Commission

August 14, 1978

PETITION of gas utilities seeking to provide refunds to their customers; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Northern Utilities, Inc., Concord Natural Gas Corporation, Gas Service, Inc., and Manchester Gas Company, public utilities engaged in the business of supplying gas service in the state of New Hampshire, on August 4, 1978, filed with this commission for effect September 4, 1978, certain revisions of their tariffs, providing for the refund to customers of moneys returned from Tennessee Gas Pipeline Company as a result of the decision of the Federal Energy Regulatory Commission in Docket Nos. RP75-13, RP75-113, and RP76-137; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Supplement No. 12 to Northern Utilities, Inc., Allied Gas Division tariff, NHPUC No. 6; Supplement No. 7 to Concord Natural Gas Corporation tariff, NHPUC No. 13; Supplement No. 1 to Gas Service, Inc. tariff, NHPUC No. 5; and Supplement No. 6 to Manchester Gas Company tariff, NHPUC No. 12 be, and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of

August, 1978.

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NH.PUC*08/14/78*[78128]*63 NH PUC 254*Hudson Water Company

[Go to End of 78128]

Re Hudson Water Company

DR 78-135, Order No. 13,277

63 NH PUC 254

New Hampshire Public Utilities Commission

August 14, 1978

PETITION of water company seeking rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Hudson Water Company, a public utility engaged in the business of supplying water service in the state of New Hampshire, on July 19, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 7 — Water, providing for an increase in rates, effective August 18, 1978, in the amount of \$185,618 annually; and

Whereas, it appears to the commission that the rights and interest of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Original Pages 21A, 21B, First Revised Page 18A, Ninth Revised Page 17, and Tenth Revised Pages 19, 21 of tariff, NHPUC No. 7 — Water, of Hudson Water Company be, and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of August, 1978.

=====

NH.PUC*08/15/78*[78129]*63 NH PUC 254*Merrimack County Telephone Company

[Go to End of 78129]

Re Merrimack County Telephone Company

DE 78-147, Order No. 13,278

63 NH PUC 254

New Hampshire Public Utilities Commission

August 15, 1978

PETITION for extension of franchise areas and adjustment of exchange boundaries; granted.

CERTIFICATES, § 134 — Modification and amendment — Generally — Extension of franchise area.

[N.H.] Where a telephone company's petition for an extension of franchise area and adjustment of exchange boundaries had not been objected to by any customer following proper notification, the commission granted the petition finding the changes consistent with the public interest.

BY THE COMMISSION:

Order

Whereas, Merrimack County Telephone Company, a public utility engaged in supplying telephone service in the state of New Hampshire, on June 20, 1978, filed with this commission a

Page 254

petition requesting authority to extend its franchised areas in certain sections of Webster, Henniker, Newbury, and Hopkinton, New Hampshire; and

Whereas, extension of franchised areas have been approved by Kearsarge Telephone Company, Continental Telephone Company of New Hampshire, Inc., and New England Telephone and Telegraph Company, as filed with duly authorized signed copies of maps detailing areas affected; and

Whereas, Merrimack County Telephone Company has filed with this commission maps marked Exhs A through D showing the extensions of its franchised areas; and

Whereas, said petition also includes a request to adjust its own boundaries in the Merrimack and Hopkinton exchanges in three different locations; and

Whereas, the boundary adjustments are shown on maps marked Exhs E through G, filed with this commission; and

Whereas, all affected customers have been properly notified with an explanatory letter and map location mailed to them on July 15, 1978, requesting questions and objections to the proposed changes; and

Whereas, no opposition to the changes of franchise or adjustment of boundaries have been noted and all changes appear to be in the best interest of the public; it is

Ordered, that Section 6, Seventh Revised Sheet 1 of Merrimack County Telephone Company tariff, NHPUC No. 6 — Telephone; and Section 6, Fifth Revised Sheet 1, of Supplement No. 1

thereto, as shown on filed revised maps showing the changes in franchised areas and boundary changes, be, and hereby are, approved, effective on August 15, 1978; and it is

Further ordered, that publication of this tariff filing be made in accordance with Rule 27 of the commission's tariff filing rules.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of August, 1978.

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NH.PUC*08/15/78*[78130]*63 NH PUC 255*Roger's Boatel, Inc. et al.

[Go to End of 78130]

Re Roger's Boatel, Inc. et al.

DE 78-138, Order No. 13,279

63 NH PUC 255

New Hampshire Public Utilities Commission

August 15, 1978

PETITION for authority to sell and transfer a water utility and franchise and to discontinue service and operations as a public utility; granted.

CONSOLIDATION, MERGER, AND SALE, § 18 — Grounds for approval — Maintenance of utility operations.

[N.H.] Where the proposed transferee of a water company testified that he understood his obligations as a public utility operator and that he had adequate resources to carry on the operations in the same manner as the previous owner, the transferor was permitted to sell the water company and cease operations as a public utility.

Page 255

APPEARANCES: G. Webb Rogers for petitioner, Roger's Boatel, Inc.; Richard Butterfield for petitioner, Blodgett Landing Water Co., Inc.

BY THE COMMISSION:

Report

By petition filed August 1, 1978, Roger's Boatel, Inc., of Blodgett Landing in the town of Newbury, seeks authority to sell and transfer its water system to Blodgett Landing Water Co., Inc., and to immediately discontinue operating as a water company; and Blodgett Landing Water Co., Inc., seeks authority to purchase and acquire all of the assets and authority of Roger's

Boatel, Inc., and to continue the existing water company's business.

Roger's Boatel is a public utility under the jurisdiction of this commission, furnishing water during the summer months to residents of Blodgett Landing, in the town of Newbury. It acquired the utility from George C. Carlson and A. Maude Carlson. See DE 3787 Vol 41, p. 194 (1959). The company has sold all of its business interests at Blodgett Landing, including this utility system, with the exception of some residential cottages, for a lump sum to Richard Butterfield and Robert J. Vashel. Mr. Butterfield testified that he understands his obligations as a public utility operator and has adequate resources to carry on in the same manner as the previous owner. He further testified that the utility would be a corporation, and a principal or agent of the corporation would be in residence during its operation.

He stated he would meet with the finance department of this commission to set up his capital structure. The present rates will be adopted and the necessary tariff amendments will be filed.

The commission finds that the sale and transfer of the water system from Roger's Boatel, Inc., to Blodgett Landing Water Co., Inc., is consistent with the public good, and is 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 Roger's Boatel, Inc., be, and hereby is, authorized to sell and transfer its water system at Blodgett Landing, in the town of Newbury, to Blodgett Landing Water Co., Inc.; and it is

Further ordered, that Roger's Boatel, Inc., be, and hereby is, authorized to discontinue operating as a public water utility; and it is

Further ordered, that Blodgett Landing Water Co., Inc., be, and hereby is, authorized to operate as a public water utility in the area presently serviced by Roger's Boatel, Inc.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of August, 1978.

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NH.PUC*08/15/78*[78131]*63 NH PUC 257*Littleton Municipal Electric Department

[Go to End of 78131]

Re Littleton Municipal Electric Department

DR 78-150, Order No. 13,280

63 NH PUC 257

New Hampshire Public Utilities Commission

August 15, 1978

PETITION of municipal electric utility seeking rate increase for water heating; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Littleton Municipal Electric Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on July 27, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 1 — Electricity, providing for an increase in the rate for water heating; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Fifth Revised Page 15 of tariff, NHPUC No. 1 — Electricity, of Littleton Municipal Electric Department be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of August, 1978.

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NH.PUC*08/16/78*[78132]*63 NH PUC 257*Gas Service Inc.

[Go to End of 78132]

Re Gas Service Inc.

DE 78-77, Order No. 13,285

63 NH PUC 257

New Hampshire Public Utilities Commission

August 16, 1978

PETITION for the condemnation of property; granted.

1. EMINENT DOMAIN, § 8 — Condemnation — Damages.

[N.H.] The commission considered the testimony of an expert witness when fixing damages to be awarded from the condemnation of land. p. 258.

2. EMINENT DOMAIN, § 5 — Authority to condemn — Easements.

[N.H.] The commission determined that a gas utility should acquire an easement by eminent domain where that alternative appeared to be the most reasonable method of providing continued service. p. 258.

APPEARANCES: Frank B. Clancy for the petitioner; Ann Snow, Burt McGill for the town of Amherst.

BY THE COMMISSION:

Page 257

Report

Gas Service, Inc., a public utility engaged in the business of supplying gas services in the state of New Hampshire, pursuant to RSA 371, petitions the public utilities commission for a determination of whether or not it should acquire a right or easement in a particular area of Amherst, New Hampshire, for the purposes of constructing, maintaining, operating, and removing lines of aboveground and of underground pipes for the transmission and distribution of gas from its storage tanks located upon certain property situated in Amherst, New Hampshire, and, more specifically described in the petition filed in this matter.

The petition prays that the commission determine the necessity of the taking requested and that the commission grant the petitioner a right of easement in the subject property. Finally, the petition prays that the commission establish the compensation to be paid for the right or easement in the property.

A duly noticed hearing on the issues of necessity and damages was held at the office of the commission on July 11, 1978.

The petitioner presented two witnesses on the issue of necessity and one witness on the issue of damages. The selectmen of the town of Amherst introduced no evidence but stated their concern with the safety features related to additional storage tanks.

[1, 2] Charles Hood, the company appraiser who examined the subject premises, was a duly qualified licensed real estate broker and appraiser with experience in excess of twenty years, and the commission accepted his qualifications. He testified that the subject property is a paper street on a map entitled " Riverside Park, Amherst, New Hampshire, Plan No. 4068," filed in the Hillsboro County Registry of Deeds Office. The paper street is known as Seeling drive and is 50 feet wide, uneven, and steep in its configuration. His opinion was that the highest and best use of the land before the taking was residential, and that its future use would be residential but usable in conjunction with adjacent residential property. His opinion was based on the fact that the land had a severe slope to it and could not be used for a building lot since it does not meet the Amherst zoning requirements. He could not foresee this land being used for anything in the future but what it is presently used for. He concluded that the value of the total parcel before the taking was somewhere between \$400 and \$700 and that value of the land after the taking is \$500 to \$550. Thus, the damages to be awarded to the owner for the parcel taken is \$550. The owner, Warren Schneider, was notified but did not appear at the hearing.

The company witness, Mr. Marancy, stated that the tank farm located on the property was developed in 1956 as a temporary measure to service the development of 20 houses that exist there. At that time, it was contemplated that future demand for service would eventually bring the temporary tank farm system into the main company's line. However, this did not occur, and the company does not foresee a demand for gas service in the area to economically warrant

establishing the main line to service these twenty customers. He described the condition of the present tanks as sitting on land that has sunk and is unstable. He stated new footings would have to be provided for the present five storage tanks that are presently on the property and that there is an additional need for three more storage

Page 258

tanks. The additional tanks are needed so that during the cold winter months the gas pressure is maintained. At the present there is not sufficient vaporizing capacity to maintain pressure. He stated that in lieu of the tanks they could use a flame vaporizer, but he did not feel that this could be done safely and that a better and proper method would be to include the three additional storage tanks. All of the work would be done in accordance with the National Fire Protection Code as it pertains to gas facilities.

Mr. Drexel, manager of Gas Service, Inc., stated the history of the temporary tank farm as it exists on the premises and further included the economic impracticability of bringing the system to its main line.

The only alternative he could suggest in lieu of expanding and repairing the tank farm as it exists on Danbury circle was to terminate service. Based upon the evidence in the proceeding and after hearing the opinions of the witnesses, the commission is of the opinion that the taking is necessary and that a reasonable compensation for the easement shall be the sum of \$550. 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, ordered to pay the sum of \$550 to the owner of the land as compensation for a right of easement in and across the following described premises:

A certain tract or parcel of land, situate in said Amherst, on the westerly side of Danbury circle, so-called, and being a portion of Seeling drive, so-called, as shown on a plan of land entitled "Riverside Park, Amherst, New Hampshire" surveyed for Warren Development Corporation, December, 1968, drawn by W. Robert Nolte & Associates, Land Surveyors, Nashua, New Hampshire, and recorded on April 8, 1969, in said Hillsborough County Registry of Deeds as Plan No. 4068, bounded and described as follows:

Beginning at a point on the westerly line of said Danbury circle at an arc to the left, the radius of which arc is 25 feet; thence running

(1) By said arc in a westerly direction 39.27 feet to a point in the southerly line of said Seeling drive; thence running

(2) North 75 degrees 15 minutes 59 seconds west by said southerly line of Seeling drive 100 feet to a point; thence running

(3) Northeasterly 50 feet across said Seeling drive to the northerly side of said drive; thence running

(4) South 75 degrees 15 minutes 59 seconds east, along said northerly line of Seeling drive,

100 feet to a point at an arc to the left, the radius of which is 25 feet; thence

(5) by said arc in a northeasterly direction 39.27 feet, to a point in the westerly line of said Danbury circle; and thence running

(6) South 14 degrees 44 minutes 01 second west by the easterly end of said Seeling drive and along said Danbury circle, 112.50 feet, more or less, to the point of beginning; and it is

Further ordered, that the taking is necessary.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of August, 1978.

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NH.PUC*08/17/78*[78133]*63 NH PUC 260*Union Telephone Company

[Go to End of 78133]

Re Union Telephone Company

DF 77-101, Supplemental Order No. 13,287

63 NH PUC 260

New Hampshire Public Utilities Commission

August 17, 1978

ORDER extending a utility's long-term debt authorization and borrowing limit.

SECURITY ISSUES, § 129 — Authorization — Extensions.

[N.H.] The commission extended previously granted authority allowing a telephone company to issue and sell long-term notes and increased the aggregate principal amount of securities permitted to be outstanding where it found such action to be in the public interest.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission, by Order No. 12,972, dated November 29, 1977, authorized Union Telephone Company to issue and sell for cash at any time up to June 30, 1978, \$1 million aggregate principal amount of long-term notes with interest rates to be determined by the company and the purchaser at the time of the purchase but within the range of 89 per cent; and

Whereas, the company has petitioned for an extension of such authority until December 31, 1978; and

Whereas, Order No. 12,452, which preceded Order No. 12,972, Order No. 12,452 set a company borrowing limit of \$1.3 million, and Order No. 12,972 did not address the subject of a

company borrowing limit; and

Whereas, this commission finds that the proposed time extension and borrowing limit are in the public interest; it is

Ordered, the Union Telephone Company be, and hereby is, authorized to issue and sell for cash at any time up to December 31, 1978, the \$1 million of long-term notes originally authorized in Order No. 12,972; and it is

Further ordered, that Union Telephone Company be, and hereby is, authorized from the date of this order to and including March 31, 1979, to issue and sell for cash, or renew, its short-term and long-term indebtedness in the total aggregate principal amount not in excess of \$1.3 million to bear reasonable interest at the time of issuance or renewal; and it is

Further ordered, that on or before January 1st and July 1st 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 expenditure of 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 August, 1978.

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NH.PUC*08/17/78*[78134]*63 NH PUC 261*Public Service Company of New Hampshire

[Go to End of 78134]

Re Public Service Company of New Hampshire

DR 77-49, 14th Supplemental Order No. 13,290

63 NH PUC 261

New Hampshire Public Utilities Commission

August 17, 1978

MOTION regarding electric company's rate increase request; denied.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion to limit certification filed August 8, 1978, for and on behalf of the Legislative Utility Consumers' Council in the above entitled matter; after full consideration of the allegations in said motion to limit certification, is of the opinion, and the order is, that said motion be, and hereby is, denied.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of August, 1978.

=====

NH.PUC*08/18/78*[78135]*63 NH PUC 261*Northern View Water Supply Company, Inc.

[Go to End of 78135]

Re Northern View Water Supply Company, Inc.

DE 78-12, Supplemental Order No. 13,292

63 NH PUC 261

New Hampshire Public Utilities Commission

August 18, 1978

MOTION for rehearing regarding petition for exemption from public utility status; denied.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion for rehearing filed August 9, 1978, for, and on behalf of Northern View Water Supply Co., Inc. for a rehearing on Report and Order No. 13,228 issued July 19, 1978; 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 said motion for rehearing be, and hereby is denied.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of August, 1978.

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NH.PUC*08/22/78*[78136]*63 NH PUC 262*Crystal Laundry and Dry Cleaners, Inc.

[Go to End of 78136]

Re Crystal Laundry and Dry Cleaners, Inc.

DT 78-28, Supplemental Order No. 13,295

63 NH PUC 262

New Hampshire Public Utilities Commission

August 22, 1978

MOTION for rehearing of petition by railroad to construct a private grade crossing; granted.

BY THE COMMISSION:

Supplemental Order

The commission having before it a motion filed August 18, 1978, for, and on behalf of, the

Boston and Maine Corporation for a rehearing on Report and Order No. 13,253 issued on August 1, 1978; 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 said motion for rehearing be, and hereby is, granted. A hearing date will be set and all parties will be notified.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of August, 1978.

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NH.PUC*08/25/78*[78137]*63 NH PUC 262*New England Telephone and Telegraph Company

[Go to End of 78137]

Re New England Telephone and Telegraph Company

I-R 14,798, Order No. 13,299

63 NH PUC 262

New Hampshire Public Utilities Commission

August 25, 1978

ORDER implementing tariff revisions providing for telephone pick-up and return service.

1. SERVICE, § 440 — Telephones — Pick-up and Return service.

[N.H.] The commission permitted a modification to a telephone company's tariff providing for regulations and charges relating to a pick-up and return service for telephone customers at selected university dormitories. p. 262.

2. ORDERS, § 2 — Tariff modifications — Effective date.

[N.H.] The commission permitted a tariff modification to become effective with less than the statutory 30-day notice where negotiations and a determination of the feasibility of the service prevented an earlier filing. p. 262.

BY THE COMMISSION:

Order

[1, 2] Whereas, New England Telephone and Telegraph Company, on August 18, 1978, filed with this commission certain tariff revisions introducing regulations and charges to provide pick-up and return service (PURSE) to students at selected university dormitories with Centrex service (Option C billing arrangement), for effect September 5, 1978; and

Page 262

Whereas, for the reasons listed in its tariff transmittal letter dated August 17, 1978, the company requests that this filing be allowed to become effective on less than the 30-days statutory period of notice in order to meet the September registration at the University of New Hampshire, negotiations with the university and determination of the feasibility of such a service offering and its impact on the company having precluded an earlier filing date; and

Whereas, this commission, after investigation and consideration, finds that the authorization of this filing upon less than the statutory period of notice will permit its timely effect, thus being in the public interest; it is

Ordered, that Part III, Section 23, Sixth Revised Page 15 and Original Page 17 of New England Telephone and Telegraph Company tariff, NHPUC No. 70, be, and hereby are, authorized to become effective on less than statutory notice, that is, September 5, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of August, 1978.

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NH.PUC*08/29/78*[78138]*63 NH PUC 263*Rules and Regulations Prescribing Standards for Electric Utilities

[Go to End of 78138]

Re Rules and Regulations Prescribing Standards for Electric Utilities

DE 76-186, Ninth Supplemental Order No. 13,302

63 NH PUC 263

New Hampshire Public Utilities Commission

August 29, 1978

ORDER promulgating regulators governing the discontinuance of electric service.

SERVICE, § 220 — Discontinuance of service — Notice.

[N.H.] Regulation providing that no electric utility may discontinue service to certain parties without notice.

BY THE COMMISSION:

Supplemental Order

Whereas, the commission in the exercise of its general rule-making powers pursuant to RSA 365:8 and in accordance with RSA 541-A, the Administrator Procedures Act, and after duly noticed public hearings held on February 3, March 2, March 3, and March 4 of 1977; it is

Ordered, that the rule attached hereto and entitled "Special Customers Situations" is hereby

adopted and added to the commission's existing rules and regulations governing electric utilities; and it is

Further ordered, that the previous Rule 8(C) as adopted under Eighth Supplemental Order No. 12,154 dated February 23, 1976, in docket DE 3335, is hereby revoked effective August 29, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of August, 1978.

Page 263

Rules and Regulations Prescribing Standards for Electric Utilities

8. *Discontinuance of Service*

C. Special Customer Situations

1. *Definitions:*

(i) *Tenant:* One who rents and occupies a dwelling unit in a structure owned by another, as well as one who pays rent for the privilege of locating a mobile home occupied by himself on land owned by another, in either case the duration of the rent term being not less than one month.

(ii) *Dwelling Unit:* A dwelling unit consists of a mobile home or space occupied for a residence consisting of contiguous living, sleeping, kitchen, and bathroom facilities exclusively occupied by a tenant and his/her immediate family.

2. *Disconnect Notice to Tennants:*

(i) *Notice Required:* No public utility shall discontinue service to a meter where any part of the service provided through it accrues to the benefit of one or more parties known by the utility to be tenant(s) without giving written notice to such tenant(s) as hereafter required; provided, however, that service may be discontinued without notice when (a) necessary to avoid danger to life or property, or (b) upon order of duly constituted public authority such as police, firemen, public health officers, etc.

(ii) *Contents of Notice:* The notice shall set forth the following information:

The date on or after which the utility proposed to disconnect;

A recommendation that the tenant immediately contact the landlord;

The reason for disconnection;

The address and telephone number at which the tenant may contact the utility.

(iii) *Timing and Manner of Giving Notice:* The notice shall be delivered not less than five days in advance of the date that the actual disconnection will take place unless given by mail. If given by mail, notice shall be mailed by first class mail, postage prepaid, not earlier than ten days nor later than six days prior to the date of intended actual disconnection addressed to the tenant at his mailing address or to the "Occupant" of a designated dwelling unit. Notice may also be given by telephone, by personal visit, by posting or hanging on the front or back door of a tenant's dwelling unit, by delivering it in hand, or by sliding it under his door. When the number

of dwelling units in a structure or at a mobile home park exceeds ten, the notice to tenants required hereunder shall be given in the manner above provided to at least five tenants, plus an additional number which will be a reasonably representative sample of the remaining tenants which need not exceed 10 per cent thereof; and in such case the notice shall be posted in a common area or such other place as is calculated to receive the attention of the occupants of such multiple dwelling unit structure or mobile home park.

When two or more structures in a residential development are owned by a landlord, each of which contains two or more dwelling units, the notice to tenants required hereunder shall be given to a majority of the tenants in each structure where the number in a structure does not exceed ten, plus an additional number which will be a reasonably representative sample of the remaining tenants which need not exceed 10 per cent thereof; and in such case the notice shall be posted in a common area or such other place in or about each structure as is calculated to receive the attention of the occupants of each such multiple dwelling unit structure.

Page 264

3. Postnotice Conference:

The tenant may, within the five-day period, seek a conference with the utility. If the tenant cannot resolve the situation with the utility, the tenant may seek review by the commission. If the tenant intends to seek commission review, the tenant must notify the utility of the intended action in writing delivered to the utility prior to the disconnect date. The request for review by the commission shall be filed with it no later than three days from the date on which the tenant notifies the utility that it will seek commission review. As a result of the review the commission may direct the tenant or utility to take appropriate action which shall not be inconsistent with the provisions of the tariff of the utility. If the customer requests a review within the three-day period, then the utility shall continue service until the final decision of the commission on this review.

4. Conditions of New Service:

The utility shall not require a person who is using service, as a condition to obtaining service directly from the utility, to pay all or part of past-due or presently owing charges of the landlord who is to be disconnected. So far as practicable under the circumstances and authorized by its tariff, the utility (except any water utility) shall provide direct service to the person requesting it on terms and conditions applicable to all residential customers.

5. Compliance:

It is recognized that it will be impossible for a utility to know or recognize every case where disconnection of service is prohibited hereby without prior notice to an affected tenant and, if such a disconnection takes place, the utility upon learning thereof, shall restore the interrupted service and may thereafter discontinue service only upon compliance with the requirements of this § 8(C). The utility shall, however, make reasonable, diligent, and good faith effort to identify disconnections of service regulated by this § 8(C) and to give the required notices.

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NH.PUC*08/29/78*[78139]*63 NH PUC 265*Public Service Company of New Hampshire et al.

[Go to End of 78139]

Re Public Service Company of New Hampshire et al.

DR 76-46, 31st Supplemental Order No. 13,303

63 NH PUC 265

New Hampshire Public Utilities Commission

August 29, 1978

PETITIONS of electric companies for authority to apply a fuel adjustment charge to regular monthly billings; granted.

RATES, § 303 — Fuel adjustment clauses — Electric companies.

[N.H.] Electric utilities were permitted to apply a fuel adjustment charge to regular monthly bills in order to recover fuel costs.

APPEARANCES: Eaton W. Tarbell, Jr., and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Robert W. Bouvier for Exeter and Hampton

Page 265

Electric Company; John Pillsbury for New Hampshire Electric Cooperative, Inc.; William G. Hayes for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; Fred Page for Littleton Water and Light Department; Diane Gilman for the Connecticut Valley Electric Company, Inc.; Michael V. Roy for the Woodsville Water and Light Department, and Harold Judd for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378 :3-A(II), the commission on August 18, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular September, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on August 15, 1978, filed with this commission 22nd Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the

monthly calculation of the fuel adjustment charge for effect September 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corp. Woodsville reported that during the month of July, 1978, the total fuel cost billed by Central Vermont was \$1,160.90. During this same period the total kilowatt-hours sold by Woodsville was 711,254. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of September, 1978, is 16 cents per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on August 15, 1978, filed with this commission 56th Revised Page 6 to its tariff, NHPUC No. 1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect September 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of July, 1978, was \$8,085.09. During this same period the total kilowatt-hours sold by Littleton were 2,645,679. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of September, 1978, is 31 cents per hundred kilowatt-hours.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on August 8, 1978, filed with this commission Original Page 11 to its tariff, NHPUC No. 5 — Electricity, comprising the monthly calculation of the fuel adjustment for effect September 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of July, 1978, the

Page 266

total fuel cost billed by Public Service was \$40,812.24. During this same period the total kilowatt-hours sold by Wolfeboro was 2,066,509. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of September, 1978, is \$1.97 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on August 15, 1978, filed with this commission 48th Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect September 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was \$88,376.94. Total sales to Granite State customers during the same period was 29,013,148 kilowatt-hours. By simple division this yields \$0.0030 per kilowatt-hour which is added to the fixed fuel portion of \$.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of September, 1978, is proposed to be \$1.54 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on August 16, 1978, filed with this commission Fifth Revised Page 15 to its tariff, NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on September 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of July, 1978, was \$385,015. Total sales by the Co-op during the same month were 21,880,657 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded, which is proposed for effect in the month of September, 1978, is \$1.76 per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on August 16, 1978, filed with this commission 17th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect September 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of July, 1978, the total fuel cost billed by Central Vermont was \$14,409. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 10,001,954. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of September, 1978, is 14 cents per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on August 9, 1978, filed with this commission 38th Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the

Page 267

monthly calculation of the fuel adjustment charge for effect September 1, 1978. Exeter and Hampton Electric purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of July, 1978, was \$367,431.75. Total sales by Exeter and Hampton during the same period were 24,716,630 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of September, 1978, is \$1.49 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on August 9, 1978, filed with this commission 42nd Revised Page 15A to its tariff, NHPUC No.6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect September 1, 1978. Concord Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of July, 1978, was \$307,942.36. Total sales during that same period were 21,136,496 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is

proposed for effect in the month of September, 1978, is \$1.46 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on August 17, 1978, filed with this commission Fifth Revised Pages 17, 18 to its tariff, NHPUC No. 22 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect September 1, 1978.

The company reported a fuel cost above base of \$5,649,692 and total hours subject to the fuel adjustment of 396,186,000. By simple division and rounded this yields \$1.43 per hundred kilowatt-hours to be applied to customers bills rendered in September, 1978.

The proposed fuel surcharge for September represents a 34 cent increase over the fuel surcharge of August. The increase is primarily attributed to several causes: (1) Merrimack Unit 2 was out for the full month for scheduled maintenance; (2) a decrease in energy provided by hydroelectric and nuclear plants; and (3) an increase in output from the more expensive oil generating units; and (4) an increase in energy lost and unaccounted for.

Based upon all of the testimony and evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of September, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Fifth Revised Pages 17 and 18 of Public Service Company of New Hampshire tariff, NHPUC No. 22 — Electricity, providing for the monthly

Page 268

fuel surcharge of \$1.43 per hundred kilowatt-hours for the month of September, 1978, be, and hereby is, permitted to become effective September 1, 1978; and it is

Further ordered, that 42nd Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.46 per hundred kilowatt-hours for the month of September, 1978, be, and hereby is, permitted to become effective September 1, 1978; and it is

Further ordered, that 38th Revised Page 16 of Exeter and Hampton Electric Company tariff, NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.49 per hundred kilowatt-hours for the month of September, 1978, be, and hereby is, permitted to become effective September 1, 1978; and it is

Further ordered, that 17th Revised Page 18 of Connecticut Valley Electric Company, Inc. tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of 14 cents per hundred kilowatt-hours for the month of September, 1978, be, and hereby is, permitted to become effective September 1, 1978; and it is

Further ordered, that Fifth Revised Page 15 of New Hampshire Electric Cooperative, Inc.

tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.76 per hundred kilowatt-hours for the month of September, 1978, be, and hereby is, permitted to become effective September 1, 1978; and it is

Further ordered, that 48th Revised Page 15A of Granite State Electric Company tariff, NHPUC No.8 — Electricity, providing for the monthly fuel surcharge of \$1.54 per hundred kilowatt-hours for the month of September, 1978, be, and hereby is, permitted to become effective September 1, 1978; and it is

Further ordered, that Original Page 11 of the Municipal Electric Department of Wolfeboro tariff, NHPUC No. 5 — Electricity, providing for the monthly fuel surcharge of \$1.97 per hundred kilowatt-hours for the month of September, 1978, be, and hereby is, permitted to become effective September 1, 1978; and it is

Further ordered, that 56th Revised Page 6 of Littleton Water and Light Department tariff, NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of 31 cents per hundred kilowatt-hours for the month of September, 1978, be, and hereby is, permitted to become effective September 1, 1978; and it is

Further ordered, that 22nd Revised Page 10B of Woodsville Water and Light Department tariff, NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of 16 cents per hundred kilowatt-hours for the month of September, 1978, be and hereby is, permitted to become effective September 1, 1978; and it is

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of August, 1978.

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NH.PUC*08/29/78*[78140]*63 NH PUC 270*Rules and Regulations Prescribing Standards for Gas Utilities

[Go to End of 78140]

Re Rules and Regulations Prescribing Standards for Gas Utilities

DE 76-186, Seventh Supplemental Order No. 13,305

63 NH PUC 270

New Hampshire Public Utilities Commission

August 29, 1978

ORDER promulgating regulations governing the discontinuance of gas service.

SERVICE, § 220 — Discontinuance of service — Notice.

[N.H.] Regulation providing that no gas utility may discontinue service to certain parties without notice.

BY THE COMMISSION:

Supplemental Order

Whereas, the commission in the exercise of its general rule-making powers pursuant to RSA 365:8 and in accordance with RSA 541-A, the Administrator Procedures Act, and after duly noticed public hearings held on February 3, March 2, March 3, and March 4 of 1977; it is

Ordered, that the rule attached hereto and entitled "Special Customers Situations" is hereby adopted and added to the commission's existing rules and regulations governing gas utilities; and it is

Further ordered, that the previous Rule 8(C) as adopted under Sixth Supplemental Order No. 12,153 dated February 23, 1976, in docket DE 3978, is hereby revoked effective August 29, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of August, 1978.

Rules and Regulations Prescribing Standards for Gas Utilities

8. *Discontinuance of Service*

C. Special Customer Situations

1. *Definitions:*

(i) *Tenant:* One who rents and occupies a dwelling unit in a structure owned by another, as well as one who pays rent for the privilege of locating a mobile home occupied by himself on land owned by another, in either case the duration of the rent term being not less than one month.

(ii) *Dwelling Unit:* A dwelling unit consists of a mobile home or space occupied for a residence consisting of contiguous living, sleeping, kitchen, and bathroom facilities exclusively occupied by a tenant and his/her immediate family.

2. *Disconnect Notice to Tenants:*

(i) *Notice Required:* No public utility shall discontinue service to a meter where any part of the service provided through it accrues to the benefit of one or more parties known by the utility to be tenant(s) without giving written notice to such tenant(s) as hereafter required; provided, however, that service may be discontinued without notice when (a) necessary to avoid danger to life or property, or (b) upon order of duly constituted public authority such as police, firemen, public health officers, etc.

(ii) *Contents of Notice:* The notice shall set forth the following information:

The date on or after which the utility proposed to disconnect;

A recommendation that the tenant immediately contact the landlord;

The reason for disconnection;

The address and telephone number at which the tenant may contact the utility.

(iii) *Timing and Manner of Giving Notice:* The notice shall be delivered not less than five days in advance of the date that the actual disconnection will take place unless given by mail. If given by mail notice shall be mailed by first class mail, postage prepaid, not earlier than ten days nor later than six days prior to the date of intended actual disconnection addressed to the tenant at his mailing address or to the "Occupant" of a designated dwelling unit. Notice may also be given by telephone, by personal visit, by posting or hanging on the front or back door of a tenant's dwelling unit, by delivering it in hand, or by sliding it under his door. When the number of dwelling units in a structure or at a mobile home park exceeds ten, the notice to tenants required hereunder shall be given in the manner above provided to at least five tenants, plus an additional number which will be a reasonably representative sample of the remaining tenants which need not exceed 10 per cent thereof; and in such case the notice shall be posted in a common area or such other place as is calculated to receive the attention of the occupants of such multiple dwelling unit structure or mobile home park.

When two or more structures in a residential development are owned by a landlord, each of which contains two or more dwelling units, the notice to tenants required hereunder shall be given to a majority of the tenants in each structure where the number in a structure does not exceed ten, plus an additional number which will be a reasonably representative sample of the remaining tenants which need not exceed 10 per cent thereof; and in such case the notice shall be posted in a common area or such other place in or about each structure as is calculated to receive the attention of the occupants of each such multiple dwelling unit structure.

3. Postnotice Conference

The tenant may, within the five-day period, seek a conference with the utility. If the tenant cannot resolve the situation with the utility, the tenant may seek review by the commission. If the tenant intends to seek commission review, the tenant must notify the utility of the intended action in writing delivered to the utility prior to the disconnect date. The request for review by the commission shall be filed with it no later than three days from the date on which the tenant notifies the utility that it will seek commission review. As a result of the review the commission may direct the tenant or utility to take appropriate action which shall not be inconsistent with the provisions of the tariff of the utility. If the customer requests a review within the three-day period, then the utility shall continue service until the final decision of the commission on this review.

4. Conditions of New Service:

The utility shall not require a person who is using service, as a condition to obtaining service directly from the utility, to pay all or part of past-due or presently owing charges of the landlord who is to be disconnected. So far as practicable under the circumstances and authorized by its tariff, the utility (except any water utility) shall provide direct service to the person requesting it on terms and conditions applicable to all residential customers.

5. Compliance:

It is recognized that it will be impossible for a utility to know or recognize every case where disconnection of service is prohibited hereby without prior notice to an affected tenant and, if such a disconnection takes place, the utility upon learning thereof, shall restore the interrupted

service, and may thereafter discontinue service only upon compliance with the requirements of this § 8 (C). The utility shall, however, make reasonable, diligent, and good faith effort to identify disconnections of service regulated by this § 8(C) and to give the required notices.

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NH.PUC*08/29/78*[78141]*63 NH PUC 272*Rules and Regulations Prescribing Standards for Water Utilities

[Go to End of 78141]

Re Rules and Regulations Prescribing Standards for Water Utilities

DE 76-186, Second Supplemental Order No. 13,306

63 NH PUC 272

New Hampshire Public Utilities Commission

August 29, 1978

ORDER promulgating regulations governing the discontinuance of water service.

SERVICE, § 220 — Discontinuance of service — Notice.

[N.H.] Regulation providing that no water utility may discontinue service to certain parties without notice.

BY THE COMMISSION:

Supplemental Order

Whereas the commission in the exercise of its general rule-making powers pursuant to RSA 365:8 and in accordance with RSA 541-A, the Administrator Procedures Act, and after duly noticed public hearings held on February 3, March 2, March 3, and March 4 of 1977; it is

Ordered, that the rule attached hereto and entitled "Special Customers Situations" is hereby adopted and added to the commission's existing rules and regulations governing water utilities; and it is

Further ordered, that the previous Rule 8(C) as adopted under Supplemental Order No. 12,152 dated February 23, 1976, in Docket DE 3757, is hereby revoked effective August 29, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of August, 1978.

Rules and Regulations Prescribing Standards for Water Utilities

8. *Discontinuance of Service*

C. Special Customer Situations

1. *Definitions:*

(i) *Tenant:* One who rents and occupies a dwelling unit in a structure owned by another, as well as one who pays rent for the privilege of locating a mobile home occupied by himself on land owned by another, in either case the duration of the rent term being not less than on month.

(ii) *Dwelling Unit:* A dwelling unit consists of a mobile home or space occupied for a residence consisting of contiguous living, sleeping, kitchen, and bathroom facilities exclusively occupied

Page 272

by a tenant and his/her immediate family.

2. *Disconnect Notice to Tenants:*

(i) *Notice Required:* No public utility shall discontinue service to a meter where any part of the service provided through it accrues to the benefit of one or more parties known by the utility to be tenant(s) without giving written notice to such tenant(s) as hereafter required; provided, however, that service may be discontinued without notice when (a) necessary to avoid danger to life or property, or (b) upon order of duly constituted public authority such as police, firemen, public health officers, etc.

(ii) *Contents of Notice:* The notice shall set forth the following information:

The date on or after which the utility proposed to disconnect;

A recommendation that the tenant immediately contact the landlord;

The reason for disconnection;

The address and telephone number at which the tenant may contact the utility.

(iii) *Timing and Manner of Giving Notice:* The notice shall be delivered not less than five days in advance of the date that the actual disconnection will take place unless given by mail. If given by mail notice shall be mailed by first class mail, postage prepaid, not earlier than ten days nor later than six days prior to the date of intended actual disconnection addressed to the tenant at his mailing address or to the "Occupant" of a designated dwelling unit. Notice may also be given by telephone, by personal visit, by posting or hanging on the front or back door of a tenant's dwelling unit, by delivering it in hand, or by sliding it under his door. When the number of dwelling units in a structure or at a mobile home park exceeds ten, the notice to tenants required hereunder shall be given in the manner above provided to at least five tenants, plus an additional number which will be a reasonably representative sample of the remaining tenants which need not exceed 10 per cent thereof; and in such case the notice shall be posted in a common area or such other place as is calculated to receive the attention of the occupants of such multiple dwelling unit structure or mobile home park.

When two or more structures in a residential development are owned by a landlord, each of which contains two or more dwelling units, the notice to tenants required hereunder shall be

given to a majority of the tenants in each structure where the number in a structure does not exceed ten, plus an additional number which will be a reasonably representative sample of the remaining tenants which need not exceed 10 per cent thereof; and in such case the notice shall be posted in a common area or such other place in or about each structure as is calculated to receive the attention of the occupants of each such multiple dwelling unit structure.

3. Postnotice Conference:

The tenant may, within the five-day period, seek a conference with the utility. If the tenant cannot resolve the situation with the utility, the tenant may seek review by the commission. If the tenant intends to seek commission review, the tenant must notify the utility of the intended action in writing delivered to the utility prior to the disconnect date. The request for review by the commission shall be filed with it no later than three days from the date on which the tenant notifies the utility that it will seek commission review. As a result of the review the commission may direct the tenant or utility to take appropriate action which shall not be inconsistent with the provisions of the tariff of the utility. If the

Page 273

customer requests a review within the three-day period, then the utility shall continue service until the final decision of the commission on this review.

4. Conditions of New Service:

The utility shall not require a person who is using service, as a condition to obtaining service directly from the utility, to pay all or part of past-due or presently owing charges of the landlord who is to be disconnected. So far as practicable under the circumstances and authorized by its tariff, the utility (except any water utility) shall provide direct service to the person requesting it on terms and conditions applicable to all residential customers.

5. Compliance:

It is recognized that it will be impossible for a utility to know or recognize every case where disconnection of service is prohibited hereby without prior notice to an affected tenant and, if such a disconnection takes place, the utility upon learning thereof, shall restore the interrupted service, and may thereafter discontinue service only upon compliance with the requirements of this § 8(C). The utility shall, however, make reasonable, diligent, and good faith effort to identify disconnections of service regulated by this § 8(C) and to give the required notices.

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NH.PUC*08/30/78*[78142]*63 NH PUC 274*Municipal Water Department of Woodsville

[Go to End of 78142]

Re Municipal Water Department of Woodsville

DR 78-167, Order No. 13,307

63 NH PUC 274

New Hampshire Public Utilities Commission

August 30, 1978

PETITION of municipal water utility seeking a rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, the Municipal Water Department of Woodsville, a public utility engaged in the business of supply water service in the state of New Hampshire, on August 18, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 2 — Water, providing for an increase in rates (\$28,438 — 83.7 per cent), effective October 1, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that First Revised Pages 9 and 11 of tariff, NHPUC No. 2 — Water, of the Municipal Water Department of Woodsville be, and hereby are, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of August, 1978.

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NH.PUC*09/05/78*[78143]*63 NH PUC 275*Public Service Company of New Hampshire

[Go to End of 78143]

Re Public Service Company of New Hampshire

DF 78-11, Second Supplemental Order No. 13,309

63 NH PUC 275

New Hampshire Public Utilities Commission

September 5, 1978

PETITION for authority to mortgage property and to issue and sell mortgage bonds; granted.

SECURITY ISSUES, § 52 — Mortgage bonds — Authorization.

[N.H.] The commission authorized an electric utility to issue and sell general and refunding mortgage bonds where it found the sale to be consistent with the public good.

BY THE COMMISSION:

Supplemental Order

Whereas, our Order No. 13,062 dated February 9, 1978, issued in the above entitled proceeding approved the mortgaging by Public Service Company of New Hampshire of its present and future property, tangible and intangible including franchises, under a general and refunding mortgage indenture to be dated on or after March 15, 1978, to secure the payment of general and refunding mortgage bonds to be issued from time to time thereafter; and

Whereas, said Order No. 13,062 also authorized Public Service Company of New Hampshire, inter alia, to issue its general and refunding mortgage bonds, Series A (the "Series A G&R bonds"), in a principal amount not exceeding \$40 million and its first mortgage bonds, Series W (the "Series W first mortgage bonds"), in the principal amount of \$10 million, subject to further order of this commission and

Whereas, our Supplemental Order No. 13,209 dated July 5, 1978, granted the company's motion to amend its petition to cover a maximum of \$60 million of the Series A G&R bonds and authorized the company to issue and sell not more than \$60 million of said bonds, subject to further order of this commission; and

Whereas, in compliance with said Order No. 13,062 and Supplemental Order No. 13,209, the company has submitted to this commission details concerning the sale of the Series A G&R bonds and Series W first mortgage bonds, including the principal amount, the term and purchase price thereof, and the interest rate thereon (said provisions being the same for both issues except for the principal amount and purchase price), the principal amount of the Series A G&R bonds being \$60 million and of the Series W first mortgage bonds being \$10 million, said term being fifteen years from August 15, 1978, said price of the Series A G&R bonds being 100 per cent of the principal amount, and said interest rate being 10.125 per cent per annum, all in accordance with the bond purchase agreements, a copy of which is to be filed with the commission; and

Whereas, after due consideration, it appears that the issue and sale of \$60 million of the Series A G&R bonds hereinabove described under the terms

Page 275

and conditions of the general and refunding mortgage indenture heretofore approved by said Order No. 13,062 and Supplemental Order No. 13,209, upon the terms presented to this commission, including the term, purchase price, and interest rate hereinabove set forth or referred to, is consistent with the public good, and it further appears that the issue of \$10 million of Series W first mortgage bonds 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 28th supplemental indenture to be dated as of August 15, 1978, upon the terms presented to this commission, including the term and interest rate hereinabove set forth or referred to, to be pledged as security for the G&R bonds, 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 for cash its general and refunding mortgage bonds, Series A due 1993, in the principal amount of \$60 million at a price of 100 per cent of the principal amount, said Series A

bonds to bear interest at the rate of 10.125 per cent per annum; and it is

Further ordered, that Public Service Company of New Hampshire be, and hereby is, authorized to issue its first mortgage bonds, Series W 10.125 per cent due 1993, in the principal amount of \$10 million to be pledged with the general and refunding mortgage indenture trustee to be held by said trustee under the terms of the general and refunding mortgage indenture as additional security for the G&R bonds, said Series W first mortgage bonds to bear interest at the rate of 10.125 per cent 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 Series A general and refunding mortgage bonds and Series W first mortgage bonds hereinabove authorized; and it is

Further ordered, that all other provisions of said Order No. 13,062 and Supplemental Order No. 13,209 of this commission are incorporated herein by reference.

By order of the Public Utilities Commission of New Hampshire this fifth day of September, 1978.

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NH.PUC*09/06/78*[78144]*63 NH PUC 276*New England Power Company

[Go to End of 78144]

Re New England Power Company

I-E 14,803, Order No. 13,310

63 NH PUC 276

New Hampshire Public Utilities Commission

September 6, 1978

PETITION of electric utility for authority to transfer part of its transmission lines; granted.

Page 276

CERTIFICATES, § 140 — Electric transmission lines — Transfer of rights.

[N.H.] The commission granted a utility authority to transfer part of its transmission lines where the company showed that it planned to convey a portion of its land and that the transferee would assume the ownership and operation of the line.

BY THE COMMISSION:

Order

Whereas, the New England Power Company on July 20, 1978, filed with this commission a request pursuant to RSA 374:30 for authority from the commission to sell transmission line 3315 located in Littleton, New Hampshire, to the Littleton Water and Light Department; and

Whereas, RSA 374:30 provides that "any public utility may transfer ... its franchise, works, or systems or any part of such franchise, works, or systems exercised or located in the state ... when the commission shall find that it will be for the public good and will make an order assenting thereto"; and

Whereas, it appears from the documentation accompanying the request that the New England Power Company intends to convey a portion of its land and systems thereon to the Littleton Water and Light Department; and

Whereas, pursuant to this arrangement the New England Power Company is surrendering ownership, control, and operation of line 3315 and that the Littleton Water and Light Department will take over the ownership, control, and operation and the public duties and responsibilities attendant thereto; and

Whereas, after consideration and investigation of the request, it appears that the transfer of the above described line is consistent with the public good; it is

Ordered, that New England Power Company be, and hereby is, authorized to transfer line 3315 located in Littleton, New Hampshire, to the Littleton Water and Light Department.

By order of the Public Utilities Commission of New Hampshire this sixth day of September, 1978.

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NH.PUC*09/12/78*[78145]*63 NH PUC 277*Williamsburg Water Company, Inc.

[Go to End of 78145]

Re Williamsburg Water Company, Inc.

DR 78-53, Order No. 13,317

63 NH PUC 277

New Hampshire Public Utilities Commission

September 12, 1978

PETITION for a rate increase; granted as modified.

1. VALUATION, § 25 — Date of valuation — Test year.

[N.H.] The commission's practice is to utilize an average test-year figure rather than a year-end figure. p. 278.

2. VALUATION, § 287 — Working capital — Operation and maintenance expense.

[N.H.] Where a utility did not request an amount for operations and maintenance expense in its working capital allowance and

Page 277

where there was an absence of data for an arithmetical calculation based on the balance sheet approach, the commission used one-eighth of the annual expense based upon the 45-day formula. p. 278.

3. VALUATION, § 250 — Contributions in aid of construction — Rate base.

[N.H.] The commission found that a utility had a zero rate base where contributions in aid of construction exceeded the value of its assets. p. 279.

4. RETURN, § 35 — Allowable return — Effect of inflation.

[N.H.] Where a utility had a zero rate base and allowable expenses of \$10,536, the commission, recognizing inflationary influences on the company, authorized rates which would enable the utility to collect annual revenues of \$11,000 per year. p. 279.

APPEARANCES: Susan Vercillo for the petitioner; Alan Goodchild for the consumers; J. Michael Love for the Legislative Utility Consumers' Council; Dom D'Ambruoso special counsel for the public utilities commission.

BY THE COMMISSION:

Report

By petition filed April 3, 1978, Williamsburg Water Company, Inc. of Pelham, New Hampshire, a public utility, sought authority in a granted franchise area to increase rates effective May 15, 1978. The proposed rates were suspended by Order No. 13,119 dated April 26, 1978.

The company's filing sought an increase in annual gross revenues of \$9,795 or 237 per cent. A duly noticed hearing was held at the commission offices on June 13, 1978.

This rate case poses a unique situation in that the town of Pelham by tax deed dated June 3, 1975, and recorded in the Hillsborough County Registry of Deeds, Vol 2450, p. 465, took the property upon which is located the well, the pump house, and a portion of the distribution system of the Williamsburg Water Company. At the time of the tax sale, the land was owned by and taxed to Hilton Homes, Inc., the corporate entity which established the Williamsburg Water Company and funded the operation of the company. Thus, we have a situation at the time of the rate case in which the town of Pelham owns the water company land and the water company fixtures and in which the Williamsburg Water Company is operating the same for the benefit of its customers. We are also informed through testimony that the water company has been offered for sale.

Rate Base

[1] The company calculated its rate base at \$31,786 (see Exh 2C). In its calculation the

company included in its rate base a test-year depreciation reserve of \$8,828 as of the end of the test year. The commission practice is to utilize an average test-year figure rather than a year-end figure. Thus, the commission finds the average test-year depreciation reserve is \$8,130 and shall use that figure. As a result, the company rate base is increased by \$698.

[2] The company did not request an allowance for operation and maintenance expense in its working capital. Such an expense is proper and in a reasonable amount is justifiable. In the absence of a specific request for such an allowance and in the further absence of firm data for a mathematical calculation based on the balance sheet approach, the commission will use a figure which is one-eighth of the annual operation and maintenance expense based upon the 45-day working capital methodology. Thus,

Page 278

the commission includes the sum of \$460 as a reasonable allowance and shall include an increase in the company's rate base for said sum.

[3] The company's rate base did not include any deductions for contributions in aid of construction. During the proceeding, there was contradictory evidence presented by the company and the protestants. To resolve this issue, the commission reviewed all of the company's records on file with the commission (see annual reports and transcripts in *DE5820*). Company witness Blanchette testified in DE 5820 that Hilton Homes connected the water system to new homes and absorbed this cost and "they get reimbursed on this by the sale of their homes, they put this in the price of their homes." (Transcript DE5820, pp. 6, 7.) Furthermore, witness Blanchette stated that "we [Hilton Homes] made a decision, business decision that we would just turn it over to Williamsburg Water Company for one dollar" (T. p. 10); and that "it is the intent of the parent company to turn over approximately \$40,000 of plant at \$1 to the water company" (T. p. 14).

These statements along with some witness testimony in the present proceeding leads us to conclude that Williamsburg has no debt or equity components but has derived its assets originally through contributions from customers. We find there should be a deduction for aid of construction in the sum of \$35,000.

As a result of the foregoing, the company's rate base is set at \$0.00. A summary of our rate base calculations are as follows:

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

Amount Requested Exh 2C	\$	31,786
Revised Depreciation	+	698
Revised Working Capital	+	460
Contributions in aid of Construction	-	35,000
		\$(2,056)
Rate Base		\$0.00

Cost of Capital

As rate base is \$0.00, we will not address cost of capital.

Expenses

The company has requested adjusted expenses for the year in the sum of \$14,036 (see Exh 2B). The commission accepts all of the items except the category entitled wages.

The evidence presented shows that historically the maintenance man typically spends one day per week performing maintenance and repairs and that the sum of \$3,000 appears sufficient for this time.

The commission further finds the sum of \$780 sufficient to cover the cost for clerical services.

In summary, the commission will accept a total expense figure in the sum of \$10,536.

Revenue Requirement

[4] The commission recognizes the present inflationary influences on the company and the tendency for same to continue. As a result, the commission will allow the company rates which would enable it to collect annual revenues of \$11,000 per year.

Our order will issue accordingly.

Page 279

Order

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

Ordered, that the revisions of its tariff, NHPUC No. 1 — Water, as filed by Williamsburg Water Company, Inc. on April 1, 1978, which revisions were suspended by commission Order No. 13,119 dated April 26, 1978, be, and hereby are, rejected; and it is

Further ordered, that, in accordance with the increase in rates authorized by this report and order, Williamsburg Water Company, Inc. file Second Revised Tariff Page 16 setting forth therein rates designed to produce annual revenues of \$11,000; and it is

Further ordered, that the Second Revised Page 16 become effective with all current bills rendered on or after the effective date of this order.

By order of the Public Utilities Commission of New Hampshire this twelfth day of September, 1978.

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NH.PUC*09/15/78*[78146]*63 NH PUC 280*Gas Service, Inc.

[Go to End of 78146]

Re Gas Service, Inc.

DF 78-113, Order No. 13,319

63 NH PUC 280

New Hampshire Public Utilities Commission

September 15, 1978

PETITION for authority to issue a stock dividend; granted.

SECURITY ISSUES, § 101 — Stock dividends — Authorization.

[N.H.] The commission granted a gas utility authority to issue a 25 per cent stock dividend where the company filed supporting financial statements and proof of authorizing votes of the stockholders and the board of directors.

APPEARANCES: Charles H. Toll for the petitioner.

BY THE COMMISSION:

Report

By petition filed June 27, 1978, Gas Service, Inc. (the company), a New Hampshire corporation doing business as a gas public utility under the jurisdiction of this commission, seeks authority, pursuant to RSA 369, as follows:

"(That this commission) approve and authorize the issuance of a stock dividend of one share of \$25 par value common stock for each four shares now outstanding."

At a hearing held in the offices of the commission on September 6, 1978, the petitioner submitted a schedule of its outstanding long-term debt, as of June 30, 1978, which debt consists of various bond series identified as A through F, inclusive, of varying amounts, interest rates, terms and due dates, and an unsecured promissory note, all of which in the aggregate, total \$3,208,750.

The company further submitted that of a total 100,000 shares of common stock authorized, 96,000 shares of \$25 par value stock are outstanding, which represents an aggregate value of \$2.4 million.

The company's proposed stock dividend

Page 280

would consist of 24,000 shares of \$25 par value common stock, representing an aggregate value of \$600,000.

In support of the petition, the company has appended to its petition certain financial statements, consisting of a pro forma balance sheet and income statement reflecting the proposed changes, a statement of estimated expenses of the issue and a pro forma exhibit reflecting the change in capital structure.

The company has further filed as exhibits, copies of proposed clerk's certificates, covering the stockholder vote authorizing an increase of 20,000 shares (from 100,000 shares to 120,000 shares) of common stock; and the vote of the board of directors authorizing the declarations of the proposed stock dividend.

The commission finds that the issuance of said stock dividend, upon the terms proposed herein, is consistent with the public interest. Our order will issue accordingly.

Order

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

Ordered, upon receipt of certificates to be filed by the clerk of the company setting forth a record of the vote of the stockholders authorizing a stock dividend and a record of the vote of the board of directors to declare and pay a stock dividend as set forth in the petition; the company, Gas Service, Inc., is hereby authorized to declare and issue a stock dividend of one share of \$25 par value common stock for each four shares now outstanding in keeping with the terms and conditions of the directors vote and stockholders vote; and it is

Further ordered, that Gas Service, Inc. be, and hereby is, authorized to issue scrip certificates for less than one share of stock in lieu of fractional certificates, convertible within one year from the date of this order to full shares when combined with other fractional certificates; and it is

Further ordered, that within thirty days after the date of issuance of this stock dividend, Gas Service, Inc. shall file with this commission a financial statement duly sworn to by its treasurer, incorporating approximate entries on its company balance sheet.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of September, 1978.

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NH.PUC*09/19/78*[78147]*63 NH PUC 281*New Hampshire Department of Public Works and Highways

[Go to End of 78147]

Re New Hampshire Department of Public Works and Highways

DT 78-40, Order No. 13,320

63 NH PUC 281

New Hampshire Public Utilities Commission

September 19, 1978

PETITION for authority to close a public crossing and establish a private crossing in its place; as modified to provide for the elimination of crossing protection signals; granted as modified.

Page 281

CROSSINGS, § 68 — Protective signals — Elimination.

[N.H.] The commission permitted substitution of stop signs for automatic protection signals at a crossing where a highway project was likely to substantially decrease the traffic over the

crossing.

APPEARANCES: Roderick Cyr for the New Hampshire Department of Public Works and Highways; Scott W. Sculley for the Maine Central Railroad Company.

BY THE COMMISSION:

Report

By petition filed April 3, 1978, the New Hampshire Department of Public Works and Highways, in connection with the construction of an overhead bridge across the tracks of the Main Central Railroad, seeks authority to eliminate the crossing signals at the present Bemis crossing which now carries US Route 302 over the tracks of the Maine Central Railroad at grade.

The project is designated as BR-F-03201 (12), New Hampshire No. P-2661. Since the overhead and side clearances are all in excess of the minimum requirements, no authority is required for the construction of the highway bridge.

An order of notice was issued July 17, 1978, which provided for a hearing to be held on August 24, 1978. This order of notice related to the closing of the public crossing and establishing a private crossing in its place. On August 4, 1978, a corrected order of notice was issued providing for the elimination of the crossing protection signals, but retaining the present crossing as a public crossing.

A public hearing on the highway relocation was held September 22, 1976, relative to the change of the location of the highway, a distance of approximately one and one-quarter miles in length. It is estimated to cost \$2,411,000. It provides for a new highway bridge across Nancy brook and the new highway bridge over the railroad track at mile post 76.33 which is a distance of approximately 250 feet north of the Nancy brook bridge. The overhead clearance over the railroad structure will be 23 feet three-fourth inches above the rail with a horizontal clearance of 24 feet on the north side and 16 feet on the south side, both of which are in excess of the minimum requirements.

A section of the present US Route 302 between the southerly end of the project and a point north of the overhead structure will be abandoned as there will be no access to it from the new highway. A section of US Route 302 north of the overhead structure and to its intersection with the new route north of the Bemis crossing will be retained for access to property known as the Inn Unique located south of the crossing, thus the present grade crossing will be retained and the highway between the crossing and the new road will be relocated so as to provide for an approximate 90-degree intersection with the new highway.

While the Maine Central Railroad Company does not oppose the proposal, it is desirous of exploring the possibility of providing an access to the Inn Unique property from the south, thus eliminating the necessity for continuing the grade crossing. That portion of the present US Route 302 not involved with the relocated highway will revert to the town upon completion of the project.

No appearances were made by the selectmen of Hart's Location, but correspondence was submitted indicating that they are in favor of the project and

indicate that eventually the highway to the Inn Unique will revert from a public to a private highway serving the one location. While it is within the province of the town to designate public and private roads, the crossing under the present statutes will have to remain as a public crossing until authority for change is authorized under the provisions of RSA 373:22 through 26.

Construction of the project is presently under way and is scheduled to be completed in October of 1979. The present grade crossing intersects the railroad track at an angle of approximately 45 degrees. It is protected by two masts, one located at the right-hand side of each approach of the crossing with the standard double automatic lights and crossbuck signs with a sign, "Stop on red signal." The required whistling signals are provided by trains approaching the crossing. The new highway is approximately seven feet lower than the present crossing which will result in a grade of approximately 7 per cent ascending from the new highway to the crossing with the present ascending grade continuing from the crossing to the Inn Unique property.

The possibility of entering the Inn Unique property from the south was explored at some length as the present grade crossing would not be necessary if such an access can be provided.

The new highway will consist of two 12-foot travelled lanes and ten-foot paved shoulders. As presently indicated a new bridge is required to span Nancy brook which will leave approximately 250 feet between the north side of this bridge and the southerly portion of the railroad bridge.

It is the position of the Department of Public Works and Highways that, with the required guard rails for these bridges, there is insufficient room for an intersection leading to the Inn Unique. This is due to the standard guard rails and the required distance of approximately 100 feet from the point of anchoring to the normal height of the rail. The grade of the new highway, however, is only one foot different in elevation than the existing level of US Route 302.

Train traffic consists of one freight train each way daily with an estimated additional special movements of not more than ten to 12 per year. Train speeds in the territory are limited to a maximum of 25 miles per hour. It is estimated by railroad witnesses that the cost of maintenance of the present crossing signals is \$1,100 per year which is based on a system average figure.

It is the position of the Department of Public Works and Highways as accepted by the town of Hart's Location that the proposed design retaining the grade crossing for access to the existing Inn Unique property is such that the grade crossing is required to be retained. In view of the very limited highway traffic which will be involved, it represents that it will be reasonably safe and adequate.

It is the position of the railroad that the present crossing should be eliminated, if possible; but if the highway design precludes this goal, adequate safety will be provided by removing the automatic protection and substitute in place thereof stop signs requiring highway traffic to stop before proceeding over the crossing.

It is apparent that considerable study has been given to the project, that it has been approved under the requirements for relocating the highway, and since there is nothing in the instant

proposal which changes the status of the crossing other than the protection provisions, the commission is of the opinion that the

Page 283

petition should be granted. Our order will issue accordingly.

Order

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

Ordered, that upon the opening to public travel of the relocated highway in Hart's Location, the Maine Central Railroad Company be, and hereby is, authorized to remove the automatic signal and masts and substitute therefore the standard crossbuck crossing signs; and it is

Further ordered, that stop signs be installed at each highway approach to said crossing at a distance of not less than 15 feet nor more than 25 feet therefrom, said signs to be installed coincidental with the removal of the crossing protection; and it is

Further ordered, that the costs of making such changes herein authorized shall be borne by the New Hampshire Department of Public Works and Highways and the maintenance of said stop signs as required herein shall thereafter be the responsibility of the Town of Hart's Location.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of September, 1978.

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NH.PUC*09/19/78*[78148]*63 NH PUC 284*F & P Management Co., Inc. d/b/a Wentworth Cove Water Company

[Go to End of 78148]

Re F & P Management Co., Inc. d/b/a Wentworth Cove Water Company

DE 78-142, Order No. 13,321

63 NH PUC 284

New Hampshire Public Utilities Commission

September 19, 1978

PETITION of a water utility for authority to discontinue service; denied.

1. SERVICE, § 241 — Water utility — Abandonment.

[N.H.] The commission denied a water utility's petition to discontinue service, noting that while the utility had been losing money it had not vigorously pursued rate relief and had expended little effort in finding a new operator for the system. p. 284.

2. SERVICE, § 227 — Water utility — Abandonment.

[N.H.] The commission denied a water utility's petition to abandon service, noting that the

public good required that it not allow the company to discontinue service without firm commitments by others to continue the operation of the system. p. 284.

APPEARANCES: Richard P. Brouillard for the petitioner; Patrick H. Wood customer.

BY THE COMMISSION:

Report

[1, 2] On August 2, 1978, F & P Management Company, Inc., a New Hampshire corporation with its place of business at P.O. Box 738, Laconia, New Hampshire, d/b/a Wentworth Cove Water Company, filed with this commission a petition to discontinue water service

Page 284

to its customers in a limited area in the city of Laconia.

On September 7, 1978, a hearing was held on the aforementioned petition at the offices of the commission in Concord, following the required notice in a newspaper published in Laconia on August 23, 1978.

At the hearing, Foster D. Pevery, president, testified that the company was no longer interested in serving the forty-one customers in the development. Since assuming ownership in December, 1974, it has found it to be a losing proposition. The rate structure, which has been in effect since January 27, 1976, of \$60 for its year-round customers and \$30 for its seven seasonal customers, has provided inadequate revenue, as noted by the fact that \$500 was lost last year, and \$1,500 the previous year. The company increased rates to \$120 last year but was not allowed to collect them, since they had not been filed and heard by this commission; accordingly, it elected to send no bills at all in March, 1978, so no revenue was generated for water used during the period July, 1977, through July, 1978. The company decided, in the words of the witness, that it was "too much hassle" to request a proper rate increase through the commission, and decided instead to abandon the system.

Questioning by staff revealed that little effort has been expended by the company to find a new operator for the system. Discussions were held with one company and with a few customers, but no serious interest was shown by either, and the company did not pursue other avenues.

Objection to the petition was noted by Patrick H. Wood, a customer representing himself, who spoke of the lack of communication between the company and the customers, and of his lack of awareness of the company's intent to discontinue operations. A letter of objection from Mr. Peter B. Hance, Director of Planning, city of Laconia, was read into the record, indicating that it was necessary to maintain the concept of a community water system in order to assure continued water service to the residents, since the lot sizes as approved by the planning board are inadequate to allow individual wells.

Commission direction is clear in this matter. RSA 374:28 provides that a company may be allowed to discontinue service to customers only "... whenever it shall appear that the public good does not require the further continuance of such service." The testimony which was

presented at the hearing indicated a relative lack of concern for the future "public good"; which is unfortunate, since the company has obviously expended considerable effort to continue to serve its customers up to this point. The tools were, and are, available — in the form of rate relief — for the company to use to guard against financial loss, and which would at least minimize the frustrations displayed by the president.

We are understanding of the company's desire to discontinue operations; however, we must also be responsive to the continued needs of its customers. We cannot allow the company to discontinue service without firm commitments by others to continue those operations.

In our view, the company has two alternatives:

1. It may actively pursue, and locate, new company ownership which will assure continued operation of the water system. It would then be appropriate to refile a petition with this commission to discontinue operations, which petition would be accompanied by a petition of

Page 285

the new owner to maintain and continue those operations; or

2. It may elect to retain ownership of the company, and, if rate relief is necessary to assure continued satisfactory service, it may petition the commission for such relief.

The commission's staff stands ready to assist in this manner. Our order will issue accordingly.

Order

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

Ordered, that the petition of F & P Management Co., Inc. d/b/a Wentworth Cove Water Company to discontinue service as a public utility be, and hereby is, denied.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of September, 1978.

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NH.PUC*09/21/78*[78149]*63 NH PUC 286*Public Service Company of New Hampshire et al.

[Go to End of 78149]

Re Public Service Company of New Hampshire et al.

DR 76-46, 32nd Supplemental Order No. 13,323

63 NH PUC 286

New Hampshire Public Utilities Commission

September 21, 1978

PETITIONS of electric companies for authority to apply a fuel adjustment charge to regular monthly bills; granted.

RATES, § 303 — Fuel adjustment clauses — Electric companies.

[N.H.] Electric utilities were permitted to apply a fuel adjustment charge to regular monthly bills in order to recover fuel costs.

APPEARANCES: Eaton W. Tarbell, Jr. and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Robert W. Bouview for Exeter and Hampton Electric Company; John Pillsbury for New Hampshire Electric Cooperative, Inc.; William G. Hayes for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Diane Gilman for the Connecticut Valley Electric Company, Inc.; Michael V. Roy for the Woodsville Water and Light Department; and Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A(II), the commission on September 20, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment

Page 286

charge to regular October, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on September 15, 1978, filed with this commission 23rd Revised Page 10B to its tariff, NHPUC No.3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect October 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corporation. Woodsville reported that during the month of August, 1978, the total fuel cost billed by Central Vermont was \$10,396.24. During this same period the total kilowatt-hours sold by Woodsville was 807,262. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of October, 1978, is \$1.29 per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on September 14, 1978, filed with this commission 57th Revised Page 6 to its tariff, NHPUC No.1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect October 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of August, 1978, was

\$14,909.42. During this same period the total kilowatt-hours sold by Littleton were 2,870,031. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of October, 1978, is 52 cents per hundred kilowatt-hours.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on September 8, 1978, filed with this commission First Revised Page 11 to its tariff, NHPUC No.5 — Electricity, comprising the monthly calculation of the fuel adjustment for effect October, 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of August, 1978, the total fuel cost billed by Public Service was \$31,698.24. During this same period the total kilowatt-hours sold by Wolfeboro was 2,239,875. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of October, 1978, is \$1.41 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on September 12, 1978, filed with this commission 49th Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect October 1, 1978. Granite State purchases all of its

Page 287

requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was \$148,531.27. Total sales to Granite State customers during the same period was 29,766,470 kilowatt-hours. By simple division this yields \$0.00499 per kilowatt-hour which is added to the fixed fuel portion of \$0.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of October, 1978, is proposed to be \$1.74 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on September 15, 1978, filed with this commission Sixth Revised Page 17 to its tariff, NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on October 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of August, 1978, was \$346,841. Total sales by the Co-op during the same month were 23,412,127 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of October, 1978, is \$1.48 per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on September 18, 1978, filed with this commission 18th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect October 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut

Valley reported that during the month of August, 1978, the total fuel cost billed by Central Vermont was \$158,223. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 12,533,469. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of October, 1978, is \$1.26 per hundred kilowatt-hours.

Exeter and Hampton Electric company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on September 11, 1978, filed with this commission 39th Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect October 1, 1978. Exeter and Hampton Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of August, 1978, was \$439,687.33. Total sales by Exeter and Hampton during the same period were 26,575,210 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of October, 1978, is \$1.65 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public

Page 288

utility engaged in the business of supplying electric service in the state of New Hampshire on September 8, 1978, filed with this commission 43rd Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect October 1, 1978. Concord Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of August, 1978, was \$376,616.94. Total sales during that same period were 22,429,770 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of October, 1978, is \$1.68 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on September 20, 1978, filed with this commission Seventh Revised Pages 17, 18 to its tariff, NHPUC No. 22 — Electricity, comprising the monthly calculations of the fuel adjustment charge for effect October 1, 1978.

The company reported a fuel cost above base of \$6,556,288 and total hours subject to the fuel adjustment of 430,036,000. By simple division and rounded this yields \$1.52 per hundred kilowatt-hours to be applied to customers bills rendered in October, 1978.

The proposed fuel surcharge for October represents a nine-cent increase over the fuel surcharge of September. The increase is primarily attributed to several causes: (1) Merrimack Unit 2 was out for the full month for scheduled maintenance; (2) an increase in output from the more expensive oil generating units; and (3) an increase in energy lost and unaccounted for.

Based upon all of the testimony and evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of October, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Seventh Revised Pages 17 and 18 of Public Service Company of New Hampshire tariff, NHPUC No. 22 — Electricity, providing for the monthly fuel surcharge of \$1.52 per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978; and it is

Further ordered, that 43rd Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.68 per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978; and it is

Further ordered, that 39th Revised Page 16 of Exeter and Hampton Electric Company tariff, NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.65 per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978; and it is

Further ordered, that 18th Revised

Page 289

Page 18 of Connecticut Valley Electric Company, Inc. tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of \$1.26 per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978; and it is

Further ordered, that Sixth Revised Page 17 of New Hampshire Electric Cooperative, Inc. tariff NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.48 per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978; and it is

Further ordered, that 49th Revised Page 15A of Granite State Electric Company tariff, NHPUC No.8 — Electricity, providing for the monthly fuel surcharge of \$1.74 per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978; and it is

Further ordered, that First Revised Page 11 of the Municipal Electric Department of Wolfeboro tariff, NHPUC No. 5 — Electricity, providing for the monthly fuel surcharge of \$1.41 per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978; and it is

Further ordered, that 57th Revised Page 6 of Littleton Water and Light Department tariff, NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of 52 cents per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978; and it is

Further ordered, that 23rd Revised Page 10B of Woodsville Water and Light Department tariff, NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of \$1.29 per hundred kilowatt-hours for the month of October, 1978, be, and hereby is, permitted to become effective October 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of September, 1978.

=====

NH.PUC*09/22/78*[78150]*63 NH PUC 290*New Hampshire Electric Cooperative, Inc.

[Go to End of 78150]

Re New Hampshire Electric Cooperative, Inc.

IR 14,802, Order No. 13,324

63 NH PUC 290

New Hampshire Public Utilities Commission

September 22, 1978

PETITION seeking approval of contract for electric service; granted.

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. 60 with Zee-Bar, Inc., effective on the date service is first made available, for electric service at rates other than those fixed by its schedule of general application; and

Whereas, upon investigation and consideration,

Page 290

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 September, 1978.

=====

NH.PUC*09/25/78*[78151]*63 NH PUC 291*Wilton Telephone Company

[Go to End of 78151]

Re Wilton Telephone Company

DF 78-139, Order No. 13,325

63 NH PUC 291

New Hampshire Public Utilities Commission

September 25, 1978

PETITION for authority to issue a long-term note and to mortgage property; granted.

SECURITY ISSUES, § 58 — Long-term note — Additions and betterment.

[N.H.] The commission authorized a telephone company to issue and sell a long-term note bearing interest at one per cent over the prime rate where it found that the proceeds would be used to provide additions to plant and to pay the present balance of existing long-term debt.

APPEARANCES: Stephen Selden for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition, filed August 1, 1978, Wilton Telephone Company, a duly organized New Hampshire corporation operating as a telephone public utility under the jurisdiction of this commission, seeks authority, pursuant to RSA 369, to issue and sell to the Indian Head National Bank of Nashua its promissory note in the principal amount not to exceed \$950,000. Said note bearing interest at the rate of one per cent over the "prime rate" of the First National Bank of Boston.

At the hearing on the petition, held in Concord on September 6, 1978, the petitioner represented that the company will make a payment upon interest and principal monthly pursuant to the loan security agreement, and the note shall mature in 1998.

The note is to be issued and sold to provide funds to pay and reimburse the petitioner's treasury for funds used to pay costs incurred, or to be incurred, in connection with service to its subscribers, and the making of improvements by installing electronic central office equipment, to finance additions to outside cable plant, and to pay the present balance of existing long-term debt as reflected in petitioner's Exh 1.

The company, in Exh 3, submitted actual and pro forma income statements reflecting also certain data per station for the actual year, 1975, and for the five-year pro forma period.

Page 291

The company in Exh 4 submitted income statements including a comparative income statement pro forma through 1980. Exhibit 5 set forth the company's capitalization ratios.

Upon investigation and consideration of the evidence submitted, this commission is of the

opinion that the proposed financing is advantageous to the company and will result in improved service to its subscribers and will hence 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 Wilton Telephone Company be, and hereby is, authorized to execute the security and loan agreement to the Indian Head National Bank of Nashua, a copy of which is on file with this commission; and it is

Further ordered, that the Wilton Telephone Company be, and hereby is, authorized to issue and sell to the Indian Head National Bank of Nashua, its note in the principal sum not exceeding \$950,000, bearing an interest rate of one per cent over "prime rate" of the First National Bank of Boston in accordance with the security and loan agreement filed with this commission; and it is

Further ordered, that the Wilton Telephone Company be, and hereby is, authorized to bind itself by the security loan agreement to the Indian Head National Bank of Nashua and to execute the security loan agreement to the said Indian Head National Bank of Nashua, a copy of which is on file with this commission; and it is

Further ordered, that the proceeds from the sale of said note be applied to provide funds to pay for electronic central office equipment, to finance additions to outside cable plant, and to pay the present balance of existing long-term debt; and it is

Further ordered, that on or before January 1st and July 1st of each year said Wilton Telephone Company shall file with this commission a detailed statement, duly sworn to by its treasurer, showing the disposition of proceeds of said note until the expenditure of the whole of said proceeds shall have been fully accounted for; and it is

Further ordered, that this order shall not become effective until the commission is in receipt of the record of the stockholders' vote and the vote of the board of directors approving the execution of the security loan agreement and the issuance of the promissory note.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of September, 1978.

=====

NH.PUC*09/25/78*[78152]*63 NH PUC 293*New England Telephone and Telegraph Company

[Go to End of 78152]

Re New England Telephone and Telegraph Company

DE 78-162, Order No. 13,326

63 NH PUC 293

New Hampshire Public Utilities Commission

September 25, 1978

PETITION for authority to place and maintain aerial plant crossing state-owned public waters; granted.

TELEPHONES, § 2 — Construction of cable line — Authorization.

[N.H.] The commission authorized a telephone company to construct an aerial cable crossing state-owned public waters where it found the construction necessary to meet the reasonable requirements of the public and that the authority would be exercised by the petitioner without substantially affecting the public rights.

BY THE COMMISSION:

Order

Whereas, by petition filed August 24, 1978, New England Telephone and Telegraph company seeks a license, pursuant to RSA 371:17-20, to place and maintain aerial plant crossing state-owned public waters in Danville and Kingston, New Hampshire, across Long pond; and

Whereas, the petitioner represents as follows:

1. That this plant consisting of a 25-pair aerial cable is described and shown on plan 53-2 on file with this commission.
2. That the proposed crossing from the mainland in Danville, New Hampshire, to the mainland in Kingston, New Hampshire, is designed to provide telephone service to Frank Greico and for future growth in the New England Company's Kingston exchange.
3. That said crossing will be constructed and maintained with due regard for established minimum safety standards in order to meet the reasonable requirements for service to the public.
3. That the granting of such license will not adversely affect the public rights on said water and is, therefore, in the public interest; 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 that the license sought may be issued and exercised by the petitioner without substantially affecting the public rights; it is

Ordered, that a license be, and hereby is, granted to New England Telephone and Telegraph Company to place and maintain aerial plant crossing state-owned public waters in Danville and Kingston, New Hampshire, across Long pond, all in accordance with the above description which in contained on a plan on file at the office of the commission.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of September, 1978.

=====

NH.PUC*09/25/78*[78153]*63 NH PUC 294*Municipal Electric Department of Woodsville

[Go to End of 78153]

Re Municipal Electric Department of Woodsville

I-R14,805, Order No. 13,327

63 NH PUC 294

New Hampshire Public Utilities Commission

September 25, 1978

PETITION of municipal electric utility seeking to revise its tariffs; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, the Municipal Electric Department of Woodsville, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on September 8, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 3 — Electricity, providing for restrictions on, and the eventual deletion of, its domestic electric house heating Rate "AH," filed for effect October 1, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that First Revised Page 14 of tariff, NHPUC No. 3 — Electricity of the Municipal Electric Department of Woodsville, be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of September, 1978.

=====

NH.PUC*09/26/78*[78154]*63 NH PUC 294*Connecticut Valley Electric Company, Inc.

[Go to End of 78154]

Re Connecticut Valley Electric Company, Inc.

DR 78-72, Order No. 13,328

63 NH PUC 294

New Hampshire Public Utilities Commission

September 26, 1978

PETITION for a rate increase; granted.

1. RETURN, § 17 — Amount — Less than justifiable rate.

[N.H.] The commission allowed a utility its requested rate of return, noting that the rate of return sought was considerably below that which the company could justify. p. 294.

2. REVENUES, § 2 — Estimates — Adjustments

[N.H.] Test-year revenues were adjusted upwards to account for normalization of a retail increase, a 1976 refund booked in 1977, and adjustment of the fuel collection lag. p. 294.

APPEARANCES: Donald L. Rushford for the petitioner; Harold Judd for the Legislative Utility Consumers' Council.

Page 294

BY THE COMMISSION:

Report

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on May 8, 1978, filed with this commission revised pages to tariff NHPUC No. 4 — Electricity which proposed an increase of gross annual revenues of \$272,187 or 5 per cent distribution uniformly across all the rate blocks. The commission on May 31, 1978, suspended the proposed filing by its Order No. 13,165. A duly noticed hearing was held at the commission on September 13, 1978.

Fair Rate of Return

[1] The company claimed a fair rate of return of at least 10.4 per cent but sought only an adjusted rate of return of 8.23 per cent in this case. Since the rate of return sought was considerably below that which the company could justify, the commission will allow an 8.23 per cent rate of return.

Rate Base

The company originally submitted a rate base of \$3,580,000, but subsequently adjusted this rate base by eliminating construction work in progress (\$119,000) and by reducing customer deposits (\$23,000) for a total rate base reduction of \$142,000. The resulting rate base then is \$3,438,000 computed as follows:

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

Rate Base (originally filed)	\$3,580,000
Less: CWIP	\$119,000
Customer Deposits	23,000

	\$142,000 142,000

Adjusted Rate Base	\$3,438,000

Revenue Requirements

The company reports net operating income for the test year of \$127,000.

By application of the allowed 8.23 per cent fair rate of return to the rounded rate base of \$3,438,000, we find that the company is entitled to net operating income of \$283,000.

[2] Adding this income requirement to adjusted test-year expenses of \$5,716,000 results in a total revenue requirement of \$5,999,000. Test-year revenues were \$5,610,000. They were adjusted upwards by the company due to normalization of a retail increase in early 1977, a 1976 resale refund booked in 1977, and for adjustment of the fuel collection lag, totalling \$117,000.

Thus the required increase in gross annual revenues is \$272,000 determined as follows:

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

Revenue Requirement	\$5,999,000
Less: Test-year Revenue	(5,610,000)
Less: Revenue Adjustment	(117,000)
	\$ 272,000

Our order will issue accordingly.

Order

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

Ordered, that Connecticut Valley Electric Company, Inc., be, and hereby is, permitted to increase its annual revenues by \$272,187, said increase to be derived by a 5 per cent increase of rates of each class; and it is

Further ordered, that First Revised

Page 295

Pages 19, 21, 25, 28, and 32; and Second Revised Pages 20, 23, 24, 30, and 31 of tariff NHPUC No. 4 — Electricity, Connecticut Valley Electric Company, Inc.; First Revised Page 1 of Supplement 1 thereto and First Revised Page 1 of Supplement 2 thereto be, and hereby are, canceled; and it is

Further ordered, that Second Revised Pages 19, 21, 25, 28, and 32; and Third Revised Pages 20, 23, 24, 30, and 31 of said tariff, Second Revised Page 1 of Supplement 1 thereto and Second Revised Page 1 of Supplement 2 thereto, be, and hereby are, approved for effect with all bills rendered on or after the date of this order; and it is

Further ordered, that public notice be given by one-time publication of this order in a newspaper having general circulation in the territories served.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of September, 1978.

=====

NH.PUC*09/28/78*[78155]*63 NH PUC 296*Public Service Company of New Hampshire

[Go to End of 78155]

Re Public Service Company of New Hampshire

I-E14,374, 20th Supplemental Order No. 13,337

63 NH PUC 296

New Hampshire Public Utilities Commission

September 28, 1978

ORDER authorizing contract rates.

1. RESEARCH, DEVELOPMENT, AND DEMONSTRATION — Load research — Off-peak power.

[N.H.] The commission authorized special contract rates for service utilizing a controlled off-peak water heater and thermal storage unit in order to test the feasibility of the device. p. 296.

2. RATES, § 211 — Off-peak rates — Contract rates.

[N.H.] The commission authorized a form of special rate contract for a utility's customers using a controlled off-peak water and a thermal storage unit. p. 296.

BY THE COMMISSION:

Supplemental Order

[1,2] Whereas, the Public Service Company of New Hampshire on August 16, 1978, filed with this commission a form of special contract which the company proposes to use to continue its load research program; and

Whereas, said filing proposes that the company will select and enter into contracts with approximately fifteen participating customers under a form of special contract for the purpose of gathering data from tests by the use of a controlled off-peak water heater and a thermal storage unit for space heating known as the megatherm; and

Whereas, it appears to be in the interest of the public generally for the company to expand this experimental project with the intention to test the water heater device at special rates reflecting the lower cost of off-peak energy; and

Whereas, the commission after investigation

Page 296

finds that the proposed form of special contract will carry out the terms of this experimental program; it is

Ordered, that the form of special contract submitted to the commission on August 16, 1978,

in connection with the Public Service Company of New Hampshire load research program for water heating and electric thermal storage devices in residential applications be, and hereby is, authorized for use by the company with those residential customers of the company willing to enter such individual special contracts; and it is

Further ordered, that as such special contracts are executed between the company and the customer, said special contract shall be filed for final approval by this commission in each case.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78156]*63 NH PUC 297*Public Service Company of New Hampshire

[Go to End of 78156]

Re Public Service Company of New Hampshire

I-E14,374, 21st Supplemental Order No. 13,338

63 NH PUC 297

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract as part of electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Richard J. Kay and Carol A. Kay and the company have executed such a special contract (NHPUC 41-1); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78157]*63 NH PUC 298*Public Service Company of New Hampshire

[Go to End of 78157]

Re Public Service Company of New Hampshire

I-E14,374, 22nd Supplemental Order No. 13,339

63 NH PUC 298

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract as part of electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Thomas F. Reilly and Louise M. Reilly and the company have executed such a special contract (NHPUC 41-2); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78158]*63 NH PUC 298*Public Service Company of New Hampshire

[Go to End of 78158]

Re Public Service Company of New Hampshire

I-E14,374, 23rd Supplemental Order No. 13,340

63 NH PUC 298

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

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Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, George Danner and Edith

Page 298

Danner and the company have executed such a special contract (NHPUC 41-3); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78159]*63 NH PUC 299*Public Service Company of New Hampshire

[Go to End of 78159]

Re Public Service Company of New Hampshire

I-E14,374, 24th Supplemental Order No. 13,341

63 NH PUC 299

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Jean Louis T. Nicknair and Yolande R. Nicknair and the company have executed such a special contract (NHPUC 41-4); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78160]*63 NH PUC 300*Public Service Company of New Hampshire

[Go to End of 78160]

Re Public Service Company of New Hampshire

I-E14,374, 25th Supplemental Order No. 13,342

63 NH PUC 300

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Edgar C. Austen and Betsy A. Austen and the company have executed such a special contract (NHPUC 41-5); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78161]*63 NH PUC 300*Public Service Company of New Hampshire

[Go to End of 78161]

Re Public Service Company of New Hampshire

I-E14,374, 26th Supplemental Order No. 13,343

63 NH PUC 300

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device

load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Bruce R. Dunphey and

Page 300

Jeannie M. Dunphey and the company have executed such a special contract (NHPUC 41-6); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78162]*63 NH PUC 301*Public Service Company of New Hampshire

[Go to End of 78162]

Re Public Service Company of New Hampshire

I-E14,374, 27th Supplemental Order No. 13,344

63 NH PUC 301

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Robert E. Mortensen and Barbara M. Mortensen and the company have executed such a special contract (NHPUC 41-7); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78163]*63 NH PUC 302*Public Service Company of New Hampshire

[Go to End of 78163]

Re Public Service Company of New Hampshire

I-E14,374, 28th Supplemental Order No. 13,345

63 NH PUC 302

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Clare H. Packard and Marion P. Packard and the company have executed such a special contract (NHPUC 41-8); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78164]*63 NH PUC 302*Public Service Company of New Hampshire

[Go to End of 78164]

Re Public Service Company of New Hampshire

I-E14,374, 29th Supplemental Order No. 13,346

63 NH PUC 302

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Bertrand W. Bissonnette and Shirley Bissonnette and the company have executed such a special contract (NHPUC 41-9); it is

Page 302

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78165]*63 NH PUC 303*Public Service Company of New Hampshire

[Go to End of 78165]

Re Public Service Company of New Hampshire

I-E14,374, 30th Supplemental Order No. 13,347

63 NH PUC 303

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Kristian I. Kudrnac and Elsa Kam-Lum and the company have executed such a special contract (NHPUC 41-10); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

The secretary of the commission is hereby directed to issue the above order this twenty-eighth day of September, 1978.

=====

NH.PUC*09/28/78*[78168]*63 NH PUC 317*Public Service Company of New Hampshire

[Go to End of 78168]

Re Public Service Company of New Hampshire

I-E14,374, 31st Supplemental Order No. 13,351

63 NH PUC 317

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Franklin B. Fillmore and Dorothy Fillmore and the company have executed such a special contract (NHPUC 41-11); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

By order of the Public Utilities Commission of New Hampshire this third day of October, 1978.

=====

NH.PUC*09/28/78*[78169]*63 NH PUC 317*Public Service Company of New Hampshire

[Go to End of 78169]

Re Public Service Company of New Hampshire

I-E14,374, 32nd Supplemental Order No. 13,352

63 NH PUC 317

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device load research program; granted.

Page 317

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Ramesh P. Dave and Pramodini R. Dave and the company have executed such a special contract (NHPUC 41-12); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

By order of the Public Utilities Commission of New Hampshire this third day of October, 1978.

=====

NH.PUC*09/28/78*[78170]*63 NH PUC 318*Public Service Company of New Hampshire

[Go to End of 78170]

Re Public Service Company of New Hampshire

I-E14,374, 33rd Supplemental Order No. 13,353

63 NH PUC 318

New Hampshire Public Utilities Commission

September 28, 1978

PETITION seeking approval of contract regarding electric company's thermal storage device

load research program; granted.

BY THE COMMISSION:

Supplemental Order

Whereas, this commission in 20th Supplemental Order No. 13,337 dated September 28, 1978, approved a revised form of special contract to be used by Public Service Company of New Hampshire in its electric thermal storage device load research program; and

Whereas, Robyn-Le Kohut and Richard A. Kohut and the company have executed such a special contract (NHPUC 41-13); it is

Ordered, that the contract so executed be, and hereby is, approved by the commission in accordance with its powers under RSA 378:18 and that such contract is approved as of the date of its execution.

By order of the Public Utilities Commission of New Hampshire this third day of October, 1978.

=====

NH.PUC*09/29/78*[78166]*63 NH PUC 303*Concord Natural Gas Corporation

[Go to End of 78166]

Re Concord Natural Gas Corporation

DR 78-96, Third Supplemental Order No. 13,348

63 NH PUC 303

New Hampshire Public Utilities Commission

September 29, 1978

PETITION for a rate increase; granted.

Page 303



1. VALUATION, § 213 — Land held for future use — Rate base treatment.

[N.H.] The commission excluded land and buildings held for future use from a utility's rate base where the company failed to make a written request for inclusion of those items pursuant to the requirements of the Uniform Classification of Accounts. p. 305.

2. VALUATION, § 287 — Working capital allowance — Computational methods.

[N.H.] A utility's computation of working capital, based on a modified lag study, was rejected in favor of an allowance computed by use of the balance sheet method, which the commission found more accurately considered the elements which comprise working capital. p.

306.

3. VALUATION, § 290 — Working capital allowance — Balance sheet method.

[N.H.] Unamortized debt expense and special deposits, utility-related service work, and post-1970 investment tax credits are proper items for inclusion in the computation of a working capital allowance utilizing the balance sheet method. p. 306.

4. EXPENSES, § 57 — Interest expense — Disallowance.

[N.H.] The commission disallowed recovery of interest expense on excess revenues collected under a utility's cost-of-gas adjustment clause, noting that if it allowed recovery it would remove the incentive against routine overcollection. p. 307.

5. VALUATION, § 251 — Customer deposits — Rate base treatment.

[N.H.] Customer deposits were included in rate base with the corresponding cost rate included in the calculation of the weighted cost of capital. p. 307.

6. EXPENSES, § 96 — Officers' salaries — Apportionment.

[N.H.] Officers' salary expense was apportioned between utility and nonutility services. p. 310.

7. EXPENSES, § 33 — Temporary construction — Amortization.

[N.H.] Expenses relating to highway construction and pipeline relocation were amortized over three years. p. 311.

8. RETURN, § 35 — Economic conditions — Attrition.

[N.H.] The commission added a 0.5 per cent allowance for attrition in computing a utility's cost of capital. p. 313.

9. VALUATION, § 251 — Customer deposits — Rate base treatment.

[N.H.] Discussion of the rate base treatment of customer deposits. p. 307.

APPEARANCES: Charles H. Toll, Jr., for the petitioner; J. Michael Love and Larry Eckhaus for the Legislative Utilities Consumers' Council; Dom D'Ambruoso special counsel to the commission.

BY THE COMMISSION:

Report

On February 18, 1978, Concord Natural Gas Corporation (hereinafter 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 to its tariff, NHPUC No. 13 — Gas, providing for increased rates designed to increase annual revenues by \$235,721.73.

The proposed rates were suspended by Order No. 13,087 dated March 14, 1978.

This filing was made within fifteen months of a previous filing by the company which became effective January 11, 1977, and pursuant to RSA 378:7 the commission denied the

petition by Order No. 13,116 dated April 25, 1978. On May 13, 1978, the company filed a motion for rehearing which was granted on May 19, 1978, by Order No. 13,148. On June 9, 1978, the commission ordered that hearings on the aforementioned petition be held on June 12 and 13, 1978.

Rate Base

The company submitted its original computation showing an average rate base of 52,693,416 and during the hearings revised its average rate base to

Page 304

\$2,595,683. The company submitted an original amount of \$2,367,213 as the average plant in service. The company subsequently revised this amount downward by \$1,068 which reflects the depreciated cost of its 30,000-gallon tank at Gas street which is used to supply all of the requirements of Concord Gas Service Corporation, a wholly owned subsidiary.

[1] The company owns land at its installation on Sewall's Falls road which is valued at \$3,000 as well as land and buildings at its Broken Bridge road installation which is valued at \$14,000. Both these properties are categorized as land held for future use, and a question is raised regarding the proper accounting treatment that should be applied.

The commission Uniform Classification of Accounts for gas utilities regarding the accounting treatment for utility land holding at pp. 48, 49 provides as follows:

"When land is acquired in excess of that required for gas operations, or for which there is not a definite plan for its use in gas operations within one year, the cost of such land shall be charged to Account 110 — nonoperating property, except that, upon special order of the commission, land purchased for future use or development may be charged to Account 1307.8 — land for future development. If land originally charged to Account 110 — nonoperating property, is later used for gas operations, it shall be charged to unfinished construction or fixed capital at its cost when acquired. Interest and taxes (less any income received) for the period from the date of acquisition to the date of transfer may be added to the cost, provided that such charges shall not be made for a period exceeding one year except upon order of the commission." (Note A, pp. 48, 49.)

"Utilities desiring to make charges to Account 1307.8 — land for future development under the exception in Note A, above, shall make written request to the commission, filing therewith a statement showing the exact location and general description of the property, the purposes for which acquired and probable date of utilization, the total cost and the main items thereof, and maps showing the property by parcels and projects." (Note B, p. 49.)

Company witness Bisson during cross-examination did not know when the two parcels of land in question would be devoted to utility operations. He was unaware of any definite plan for these parcels and deferred to company witness Dustin for a fuller explanation. Later in the proceeding, intervenors chose not to pursue this or any other matters with witness Dustin (T.3-95).

We recognize the material in Priest's "*Principles of Public Utility Regulation*" at pp. 180, 181 where the author states:

"In a 1965 decision, the Idaho supreme court said that *a public utilities 'in the nature of its operations, is obligated to anticipate the demands to be made upon it for service in future years.'* It held that a large electric generating station was 'primarily installed not to serve customers outside the state, but to serve the present and future demands of the Idaho customers.' *As a matter of sound business judgment, utilities often must build beyond their immediate needs. If their investments are provident and are made both in good faith and in the best interest of the area served, they plainly belong in rate base.*" (Emphasis added.) *Supra*, pp. 180, 181. Cf. *Re Public Service Co. of New Hampshire* (1959) 27 PUR3d 113, 123, 124.

However, this material must be read in conjunction with our own classification of accounts as set forth above. Our

Page 305

records do not contain any written requests by the company to the commission that the two parcels in question should be charged to rate base (fixed capital Account 1307.8). Additionally, the commission records do not contain any special orders allowing this land to be charged to rate base.

In the absence of such a request by the company or order of the commission, the value of the two parcels of land are excluded from rate base and should be charged to Account 110 nonoperating property.

Even though the intervenors did not fully pursue this issue with witness Dustin and technically therefore did not meet the affirmative burden which had shifted to them to show that such amounts should be excluded from rate base, the commission will exclude these items because the company has not complied with commission classification of accounts.

[2] The company originally submitted a working capital requirement of \$326,203 based upon what it called a modified lag study, and during the hearings adjusted that amount to \$229,538. The original amount was adjusted by adding back \$44,587 for customer deposits and deducting \$79,232 for tax accruals, \$56,020 for an error in determining the lag between provision of service and meter reading in the case of bimonthly customers (from forty-five to thirty days), and \$6,000 for the average propane inventory carried for its subsidiary.

[3] Intervenor recommended the use of the balance sheet approach for computing the working capital portion of rate base. The first calculation based on this method produces an adjusted working capital requirement of \$55,262, which included deductions of \$43,648 of customer deposits, \$960 for accounts payable for propane carried for its subsidiary, \$58,156 of average accounts receivable from Concord Gas Service Company, and \$6,000 for propane inventory carried by the parent for its subsidiary.

A second calculation based on this method by staff produces an adjusted working capital requirement as follows:

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

(Current Assets)	
Total Uses of Capital	\$818,047
(Current Liabilities)	
Less: Total Sources of Capital	674,762

Excess Uses of Capital	143,285
Less: Average Receivable from Service Company	58,156
Average Propane Inventory Maintained by Service Company	6,000
Add: Average Accounts Payable Related To CGSC Propane	960
Post 1970 Investment Tax Credit	64,300
Working Capital Requirement	<u>\$144,389</u>

The balance sheet method of calculating the working capital requirement of rate base is accepted because (1) it considers all sources of capital in the balance sheet and (2) the company's modified lag study and the correction to its bimonthly lag, does not consider all the elements which comprise working capital.

The second calculation of working capital producing \$144,389 will be utilized. In this calculation three items are included which were excluded from the first balance sheet calculation. They

Page 306

are: \$13,304 of unamortized debt expense and special deposits; \$11,333 for accounts receivable merchandise which is actually an amount for utility-related service work; and, the post-1970 investment tax credits. This accords with previous commission treatment of these items.

[4] The company has a cost-of-gas adjustment clause under which it estimates the cost of gas at six-month intervals. At the end of each six-month period, there exists either an overcollection of revenues (which gives rise to a refund with interest) or an undercollection (which gives rise to a surcharge). In the test year in this case, there was an over-collection and the company seeks recovery of interest expense associated with the overcollected amounts. This interest is at the rate of 8 per cent.

The requirement for interest is a protection against the obvious incentive to overestimate gas expenses. If the interest expense were recoverable, the protection would be removed and overestimates by the company may be more frequent. Also, the overcollection does not always occur and in some years there may be no interest expense at all. Since this item can be nonrecurring and for other reasons stated above, this interest expense is not allowed.

Customer Deposits

[5] A further issue is presented regarding the proper accounting treatment of customer deposits. The questions of "whether and to what extent funds contributed by the consumers should be deducted from the cash working capital required by investors is essentially a question of fact within the province of the commission to decide under the circumstances of the case before it." *Chicopee Mfg. Co. v Public Service Co. of New Hampshire* (1953) 98 NH 5, 13, 98 PUR NS 187. As the particular circumstances of each rate case have presented themselves, the commission has treated this issue in different ways.

First, customer deposits can be included in the rate base upon which the company will earn a fair rate of return, and concurrently, the interest expense would be deducted below the line in

accordance with the Uniform Classification of Accounts for gas utilities, Account 1535, miscellaneous interest deductions, a below-the-line account.

Second, customer deposits can be excluded from rate base (i.e., the company would earn no return on these amounts), and concurrently, an allowance would be made above the line for the actual amount of interest expense (i.e., the cost to the company of returning the deposits to its customers).

Third, the amount of customer deposits along with its corresponding cost factor (i.e., the interest rate to customers) can be included in the capital structure and weighted in that calculation along with other sources of company capital. Concurrently, the customer's deposits are included in rate base, and the interest expense would be deducted below the line.

Regarding the first method, the New Hampshire Public Utilities Commission's Uniform Classification of Accounts, Account 1535, miscellaneous interest deductions, provides at p. 68 that:

"This account shall be charged each month with the interest accrued on all short-term debt and other obligations of the utility not chargeable to Account 1530 — interest on long-term debt, and not specifically provided elsewhere. *This includes interest on unpaid taxes, on customers' deposits ...*."

Page 307

Thus, the commission has allowed the below-the-line deduction of this interest expense and has correspondingly allowed the amount of customer deposits in the rate base. Miscellaneous below-the-line interest deductions reduce net income available for distribution to stockholders, and the treatment of such items implies inclusion in rate base.

For example, bond interest is a below-the-line deduction, and the principal amount of the bonds is reflected in rate base upon which the company earns a return. In other words, a utility issues bonds, obtains the principal, and expends this principal for plant and equipment. This original cost value of this plant and equipment is included in rate base, and the utility earns a return on it. The return earned is reduced by the amount of bond interest due and owing. This bond interest reduces net income available to stockholders just as the interest on customer deposits reduces the net income when a deduction is made below the line in accordance with the uniform classification set forth above.

Regarding the second method, the commission has allowed an above-the-line expense to compensate the utility for the actual interest cost it incurs when it returns customer deposits to customers. This method allows a dollar-for-dollar recovery of the interest expense on customer deposits at the level reflected in the test-year figures. During post-test-year periods, this interest expense may increase while revenues allowed based on the past test year do not change. If the interest expense increases, attrition or the erosion of earnings will occur. While this method appears very equitable when viewing a static test year, it does not establish a situation in which parity can be maintained between interest expense and revenue in the years following the rate decision.

Regarding the third method, the commission recognizes that the customer deposits are a

source of capital to the utility, and since these amounts carry a cost rate, it is reasonable and logical to treat this item in the capital structure. Just as the amount of debt equity is factored into the capital structure at its component rate, the amount of customer deposits can also be included in the capital structure at its component rate. And just as the company's debt borrowings are reflected in rate base and debt expense is deducted below the line, so too the amount of customer deposits is included in rate base and its associated interest expense deducted below the line.

The following chart compares the three methods and shows the resultant required increase in operating revenues in this case:

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

	<i>Method</i>	<i>Method</i>	<i>Method</i>
	<i>One</i>	<i>Two</i>	<i>Three</i>
Annual Increase of Required Revenue	\$116,117	\$107,934	\$111,619

Method two establishes the lowest revenue requirement, and as stated above, does not consider any changes that may occur in subsequent years. Both method one and method three allow a return on customer deposits, and consequently, a company will earn sufficient revenues on this item to adequately cover the interest expense. If interest expense associated with customer deposits increases in post-test-year periods, then the margin of revenue earned by utilizing these methods will cover the increased expense.

Page 308

The reason method three produces a smaller revenue figure is that the customer deposits, when factored into the capital structure, reduce the overall fair rate of return from a level it would otherwise be if customer deposits were not factored into the capital structure. Because the cost rate of this source of capital is less than other sources, it will reduce the overall cost of capital when the weighted average of all capital components is calculated.

Recently, the commission has altered its method of computation of working capital utilizing the balance sheet approach rather than the so-called 45-day rule established by the Federal Power Commission (now Federal Energy Regulatory Commission), and which, to our knowledge, is still used by the federal regulatory agency. The departure from the 45-day rule and the adoption of the balance sheet approach has in every case thus far substantially reduced the working capital component, thus reducing overall revenue requirements for New Hampshire utilities which have had recent rate decisions. These utilities relying on the commission past precedents filed rate cases with a 45-day working capital component, and consequently have had to readjust to revenue levels which incorporate a lesser working capital component.

One area in this rate case and in the recently completed Granite State Electric rate case (DR 77-63) in which the commission can soften the impact of the substantially reduced working capital component is the area of customer deposits. In the Granite State case, the commission included customer deposits in rate base while utilizing the new balance sheet approach to working capital. In this case we will include customer deposits in rate base and concurrently include its corresponding cost rate in the calculation of the weighted cost of capital. Several factors lead us to conclude that this method is justifiable in this case. The company is

experiencing slow growth largely due to the availability of natural gas and the Federal Power Commission temporary controlled attachment policy which limits new customers and sets priorities for taking on new customers. Thus, the company will not be experiencing revenue growth from increased sales to new customers. Also, in a time of rapid inflation, expenses continue to grow, thereby reducing the rate of return if revenues remain stable.

Additionally, this company found it necessary to request new rates within two years from their last rate case. Although the commission decided initially to reject this petition pursuant to RSA 378:7, it subsequently decided that an adjustment to company revenues was justified.

We are cognizant of our duty as enunciated concisely in *New England Teleph. & Teleg. Co. v New Hampshire* (1973) 113 NH 92, 96 91 PUR3d 205, that the commission's duty is " ... to fix a rate of return which will meet the constitutional standards not only at the time its order is made but for a reasonable time thereafter." The court then followed this statement with an express reference to the two-year statute (RSA 378:7). We are hopeful that the rates established in this decision are sufficiently prospective in nature as to satisfy the supreme court's test, thereby compensating the company for at least a two-year period from the date of this report and order.

The supreme court held in the *Chicopee* case (cited above) that since the rate of return as determined by the commission could be justified, any

Page 309

defects in the method of arriving at it did not require that it be set aside. In this case, we believe the final overall revenue increase is fair and reasonable to both company and customer and is justifiable regardless of the method of calculation or computation of various rate case components.

There is no one mathematically precise formula for determining required revenues. Rate making is an art, not a science and the reasonableness and fairness of the revenue figure allowed is the criteria and standard under our statutes. We believe the result here to be fair and reasonable despite our use of a methodology relative to customer deposits which has been strenuously attacked by intervenors. When a utility collects one dollar of revenue from a customer, it makes little difference if that dollar of revenue was determined by inclusion of customer deposits in rate base or by some other method.

Test-year Expenses

The company's Bisson Exh 1 showed total expenses for the test year per the books of \$2,688,195. The company originally adjusted this figure upward by \$17,017 to \$2,705,212.

Bisson Exh 2A and 2B originally favored a pro forma payroll expense adjustment of \$18,589 which the company subsequently reduced in steps to \$15,157. We will accept a payroll adjustment to test year of \$15,157.

Payroll adjustment, FICA, and unemployment taxes must be correspondingly adjusted from the \$712 increase requested by the company. We will accept a positive adjustment of \$504.

Bisson Exh 2C originally requested a pro forma increase in BC/BS expenses of \$4,304. Subsequently, the company in Exh 23 reduced its adjustment by \$3,250. We accept this

adjustment but believe that an additional one is called for. In the test year the company capitalized approximately 19 per cent of gross wages; however, no BC/BS payments were capitalized. We disagree with the company's procedure in handling the BC/BS payments that way, so we believe an additional downward revenue adjustment of approximately \$3,802 is required. In summation, the total BC/BS adjustment is a downward one of \$2,748.

The company in Exh 23 requested a downward adjustment in test-year pension costs of \$4,072 to reflect the allocation of 16 per cent of total costs to CGSC. In addition, we believe that an additional amount should have been capitalized similarly to BC/BS costs. This would generate a downward adjustment of \$8,836.

We accept the following addition adjustments of the company:

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

Cost of Painting Holder Amortized Over	
Five Years	+ \$ 3,229
Postage	+ 2,124
Rate Case Expenses Amortized	+ 5,775
Cost-of-gas Adjustment Mismatch	- 10,158
Depreciation on Gas Street Tank	- 730

[6] Based on Exh LUCC 5 which was provided by the company, the president's salary of \$3,600, the treasurer/clerk's salary of \$2,500, and the other director's costs of \$2,200 were charged exclusively to the utility. In general, we

Page 310

understand that these individuals do spend some time on the service corporation, and therefore believe that some allocation of costs should be made to that corporation. For 1977, approximately 11.8 per cent of the combined revenues of the service corporation and the utility were raised by the former, whereas approximately 18 per cent of the total equity investment was in the service corporation. Using the 11.8 per cent as a basis for allocation, we believe that \$979, which was charged to the utility, should be allocated to the service corporation.

[7] The test year included \$9,200 of expenses due to highway construction and pipeline relocation in East Concord. Mr. Dustin testified to an estimated life for this temporary work of up to three years. We believe that the expense should have been amortized over three years and will therefore reduce test-year expenses by \$6,133 to \$3,067.

The company's Exh 19 reflected a net insurance reimbursement of \$11,764 in the test year to cover expenses mainly incurred in the prior year. We agree with their recommendation to increase test-year expenses by the \$11,764, but believe that originally the company should have accounted for these costs and revenues through a deferred account, not the income statement.

The company's Exh 2 — D2 dealt with a pro forma adjustment to liability insurance based on the allocation between the utility and the service corporation. The actual allocation to the utility for the test year was 90 per cent. The company proposed to adjust such to 92.1 per cent based on two documents which became staff Exh 3 and LUCC 18. Through cross-examination by staff, several numerical errors were uncovered which by themselves lower the utility's ratio to 91.9 per cent. This reduces the requested upward adjustment from \$4,541 to \$4,109. Then this adjustment

is further reduced by \$556 as mentioned on p. 2 of Appendix C of the company's brief. This adjustment arises from the transfer of costs related to the Gas street tank to the service corporation. We will utilize an upward adjustment to test-year liability insurance expense of \$3,553.

Company Exh 2 — D3 deals with decreased liability insurance layer. The company requested a downward adjustment to test-year expenses of \$4,771. Since we revised the liability insurance allocation previously, this adjustment also needs revision. We will accept \$4,669 as the downward adjusted test-year expense figure.

Property Tax

Property taxes are a major expense item for Concord Natural Gas Company and merit special attention. In the test year the company accrued property taxes of \$154,283, while the actual 1977 property taxes were \$142,163 (Exh — 5 Bisson).

In Exh 5 the company estimated the 1978 assessment per town and the 1978 expected rate. The estimate for all of the towns listed except Concord, totaled \$21,553. We will accept this figure as reasonable; but not the \$128,650 estimate for Concord.

The company estimated the 1978 assessment for Concord and then multiplied that figure, \$2,075,000, by their estimate of the 1978 expected rate, \$62 to arrive at the \$128,650.

Since Exh 5 was filed, Concord has undergone a revaluation and the final assessments for the company are available. The new assessment totals \$2,538,700.

We take notice of property tax

Page 311

developments subsequent to the hearing, and note the company counsel stated on p. 9 of the company's brief that "the commission may take judicial notice of relevant facts, and may, if it so directs, accept exhibits, following a hearing without a further hearing."

The final tax rate per \$1,000 of assessed valuation for Concord is not currently available, but we do have reliable estimates. On July 12, 1978, in the Concord Daily Monitor, the city manager, John E. Henchey, estimated the tax rate will be between \$35 and \$37. The city assessor's office further estimated that \$40 per thousand is on the high side.

Since the property-tax item is substantial, we will utilize \$39 as a conservative estimate for Concord's new tax rate. Multiplying this \$39 per thousand by the new assessment of \$2,538,700 yields total expected taxes for the company of \$99,010.

This \$99,010 must be reduced further by the taxes allocated to the Gas street propane tank charged to the service corporation. Using the formula advanced by Attorney Toll in his letter of August 19, 1978, to Attorney Love, but substituting the \$99,010 figure for the 1977 actual property taxes for Concord, yields \$790.

Subtracting the \$790 from the \$99,010 nets \$98,220, which is the Concord pro forma property tax figure which we will accept. The total pro forma property tax figure then becomes \$119,773. This results in a downward adjustment to test-year expenses of \$34,510.

Regarding liability insurance, the company is charged at the rate of \$71.66 per \$1,000 of gross revenue. In other words for each \$1 we determine gross revenues should go up, we must add another \$0.07166 to cover the increased insurance cost. We will therefore not address this adjustment until the revenue requirement section.

In summation adjusted test-year expenses exclusive of an adjustment for the insurance just mentioned is as follows:

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

Test-year Expenses	\$2,688,195
Payroll Adjustment	+ 15,157
FICA and Unemployment Tax Adjustment	+ 504
BC/BS Adjustment	- 2,748
Pension Adjustment	- 8,836
Painting Holder Adjustment	+ 3,229
Postage Adjustment	+ 2,124
Rate Case Expense Adjustment	+ 5,775
CGA Adjustment	- 10,158
Depreciation on Tank Adjustment	- 730
Directors' and Officers' Time Adjustment	- 979
East Concord Adjustment	- 6,133
Insurance Reimbursement and Adjustment	+ 11,764
Liability Insurance Expense Adjustment	+ 3,553
Self Insurance Adjustment	- 4,669
Property Tax Adjustment	- 34,510
Taxes at 51.64 Per Cent Adjustment	+ 13,766
Adjusted Test-year Expenses	<u>\$2,675,304</u>

Rate of Return

The company originally submitted a cost of capital of 10.89 per cent (Bisson Exh 9) which was later reduced to 10.86 per cent to reflect the exclusion of \$35,676 from total equity of investment in the Concord Gas Service Corporation. The computation of the cost of capital to be used in this case includes a 13 per cent

Page 312

rate for common equity which was agreed upon by all parties. The capital structure also includes customer deposits as a source of customer supplied capital. The cost of capital therefore is:

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

	<i>Per Cent of</i>		<i>Weighted</i>
	<i>Total</i>	<i>x</i>	<i>Cost</i>
			<i>==== Cost</i>
Long-term Debt	33.15		7.74%
Preferred Stock	4.75		5.5%
Common Equity	60.4		13.0%
Customer Deposits	1.7		6.0%
Total	<u>100.0</u>		<u>10.78</u>

Attrition

[8] In determining the proper level, if any, of attrition which the company has been faced with, we decided first to look at the actual test-year income adjusted for attrition purposes.

The company's Exh 1 showed actual test-year net operating income of \$230,055. We then adjusted this figure by the following amounts, as referred to in the expense section of this report:

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

Net Operating Income		\$230,055
BC/BS Costs	\$(2,748)	
Pension Costs	(8,836)	
Insurance Payment	11,764	
Cost-of-gas Adjustment Mismatch	(10,158)	
Depreciation on Gas Street Tank	(730)	
Officers' and Directors' Costs	(979)	
East Concord Road Work	(6,133)	
Liability Insurance	3,553	
Property Tax – Over Accrual	(12,120)	
Property Tax – Gas Street Tank	(974)	per Company Brief
Estimated Amount of Refund from BC/BS	(1,000)	
	<u>(28,361)</u>	
Tax Effect at 51.64 Per Cent	14,696	
Net Operating Income Adjusted for Attrition Purposes:		\$243,770

These adjustments were made because we believe they should generally have been made in the test year. These include allocations to the service corporation, costs which should have been capitalized or amortized, and accounting treatments which we do not agree with.

When this adjusted income figure of \$243,770 is divided by the average rate base for the test year of \$2,537,182, the result is 9.60 per cent.

In the company's last rate case, DR 76-66, the commission allowed the company the opportunity to earn 10.5 per cent with a 0.2 per cent allowance for attrition. This last case was based on a test year ended September 30, 1976, or one and two-third years before the end of the test year in the current case. Based on this, we believe the annual historical attrition to be approximately 0.5 per cent.

Page 313

Revenue Requirement

The required increase in rates is computed as follows:

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

Accepted cost-of-capital	10.78%	
Plus: Allowance for Attrition	.5	
	<u>11.28%</u>	
Times: Rate Base		\$2,537,182
Required Net Operating Income		<u>\$ 286,194</u>
Less: Test-year Net Operating Income		230,055
Required Increase in Net Operating Income		<u>56,139</u>
Plus: Tax Adjustment (+ 48.36 Per Cent)		59,947
		<u>116,086</u>
Plus: Test-year Adjusted Expenses		\$2,675,304
Plus: Test-year Net Operating Income		230,055
		<u>\$3,021,445</u>
Less: Test-year Revenue		\$2,917,290

Times: Insurance Adjustment	104,155
	\$ 1.07166
Required Increase in Operating Revenues	\$111,6129

Rate Structure

With this proposed increase, the company has not departed from its traditional declining block rate structure. The increase will be spread proportionately among classes and blocks. This is acceptable to the commission.

Our order will issue accordingly.

Supplemental Order

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

Ordered, that Concord Natural Gas Corporation be, and hereby is, permitted to increase its annual revenues by \$111,619, such increase to be derived from proportionate increase of rates of all classes; and it is

Further ordered, that Ninth Revised Pages 13-16 and Seventh Revised Page 17 of NHPUC No. 13 — Gas, of Concord Natural Gas Corporation tariff be filed reflecting such increases; and it is

Further ordered, that such increase become effective with bills rendered on or after the date of filing with the commission of revised tariff pages; and it is

Further ordered, that public notice be given by one-time publication of a summary of the increase in a newspaper having general circulation in the territory served.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of September, 1978.

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NH.PUC*10/02/78*[78167]*63 NH PUC 315*Leon McMahon

[Go to End of 78167]

Re Leon McMahon

DE 77-120, Order No. 13,349

63 NH PUC 315

New Hampshire Public Utilities Commission

October 2, 1978

PETITION for authority to construct an electric transmission line; granted.

1. ELECTRICITY, § 7 — Transmission line construction — Authorization.

[N.H.] The commission granted an electric utility authority to construct a transmission line across a pond where it found the structure to be necessary in order to meet the reasonable requirements of service to the public and that the license could be exercised without substantially affecting the public rights in the water. p. 315.

2. ELECTRICITY, § 6 — Transmission lines — Safety.

[N.H.] The commission authorized the installation of an electric cable where the cable's clearance over water complied with the standards of the National Electrical Safety Code and where one of the supporting trees, which was of questionable health, was to be supported by a guy wire. p. 315.

APPEARANCES: Frederick Coolbroth for the Public Service Company of New Hampshire; Clayton Heath, Jr., for the Department of Resources and Economic Development.

BY THE COMMISSION:

Report

[1, 2] By application filed August 15, 1977, Leon McMahon seeks a license, pursuant to RSA 371:17-20, to construct and maintain an electric distribution line over and across South pond in the town of Stark.

At a hearing on the petition held following due notice in Concord on September 28, 1978, the petition set forth that the proposed crossing would extend from an existing tree on the westerly shore of said pond to a spruce tree on the easterly shore thereon and will serve one customer. Construction will consist of No. 4 triplex.

The proposed span will extend approximately 127 feet between the trees and will cross the water for a distance of approximately 88 feet in a location where small boats can easily navigate under the proposed wire. A representative of Public Service Company of New Hampshire, C. Dudley Johnson, a graduate electrical engineer, testified that Public Service supplies power to the westerly side of the lake where there is a pole with a customer service attached thereto for Mr. McMahon's property. Mr. McMahon's distribution line connects to that service and then continues to a tree on the westerly side of the pond across the waters of South pond to a tree on the easterly side of the pond and to the McMahon's cottage. The cable is 120/240-volt secondary cable known as No. 4 triplex. Mr. Johnson estimated that the pole on the westerly side of the lake was 33.8 feet above the water and that the tree on the easterly side of lake was 33.6 feet. He estimated that in normal conditions the transmission line would average about 30 feet above the water. During high temperatures or loaded conditions, the line above the water would at the worst conditions be 27 feet above the water. The National Electrical Safety Code, 1977 Edition, sets forth that over

Page 315

waters 20 to 200 acres clearance would be 26 feet above the water. Testimony is such that this body of water is less than 127 acres. Mr. Johnson further testified that the cost of using

submarine cable would far exceed the cost of overhead cable, most of the cost being absorbed in the digging of trenches. He recommends that the tree on the east side of the lake near the cottage have some sort of guy wire to support it, even though the tree appeared to be "solid" in his opinion.

Clayton Heath, chief — special forestry program, testified that his department was in opposition to this license being granted. The main opposition being that aesthetically it did not conform to the environment. He further testified that he was concerned with the safety of trees supporting electrical distribution wires. He further set forth that in his opinion the spruce tree on the east side of the pond near the cottage was a dead tree and that it could possibly have a useful period of approximately five years. It was his opinion as a forester that the normal use period of the dead spruce tree would be ten to 12 years, and in the event that the commission granted a license, the tree should be inspected at least at the end of a five-year period and then yearly thereafter. He stated that the tree would show signs of defect visible to someone looking at it once it began to deteriorate.

Edgar Stubbs of the commission staff, a professional engineer, stated that the electrical transmission line across the pond servicing the petitioner was adequate for the purpose for which it was being used. He stated that the use of trees in lieu of poles although adequate was not preferred and should be avoided whenever possible.

There appears to be a controversy over the physical structures supporting the distribution lines; i.e., poles versus trees. The commission sets forth that the National Electrical Safety Code should be followed in all instances wherein electricity is involved, and it is the feeling of the commission that all recommendations in this code should be followed as closely as possible. In the present case, the commission is of the opinion that the distribution line as constructed is adequate to provide service to Mr. McMahon's cottage and will allow same. However, the license issued in the matter shall be for a temporary period of five years and shall not be effective until such time as a guy is attached to the tree on the easterly side of the pond so that said tree is secure against the weather and elements.

Upon investigation and consideration and review of all the evidence submitted in this matter, the commission finds that the structure proposed and existing is necessary in order to meet the reasonable requirements of service to the public and that the license sought herein may be exercised without substantially affecting the public rights in said water.

The commission hereby renders a judgement granting the license herein petitioned for. Our order will issue accordingly.

Order

Based upon the foregoing report, which is made a part hereof; it is

Ordered, a license be, and hereby is, granted to Leon McMahon of Stark, New Hampshire, to construct and maintain an electric distribution line above and across South pond in the town of Stark and the location set forth in the petition filed with this commission; and it is

Further ordered, that this license shall

expire five years from the date hereof and the petitioner, Mr. Leon McMahon, shall immediately install a guy to the tree on the easterly side of the pond to support the same against the weather and elements.

By order of the Public Utilities Commission of New Hampshire this second day of October, 1978.

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NH.PUC*10/04/78*[78171]*63 NH PUC 319*Crystal Lake Water Company

[Go to End of 78171]

Re Crystal Lake Water Company

DE 78-148, Order No. 13,358

63 NH PUC 319

New Hampshire Public Utilities Commission

October 4, 1978

PETITION for authority to discontinue operations as a water utility; granted.

SERVICE, § 229 — Abandonment of service — Alternative service.

[N.H.] Where a town was authorized to assume the obligations and responsibilities of a water utility and indicated that, upon transfer, it would provide service to the customers in the same manner as had the utility, the commission granted the utility's petition to terminate operations as a public water utility in the town.

APPEARANCES: Judd Gregg for the petitioner.

BY THE COMMISSION:

Report

By petition filed August 14, 1978, Crystal Lake Water Company seeks authority to discontinue operations as a public utility in the town of Canaan.

Following an order of notice, issued August 16, 1978, setting the matter for hearing, with appropriate notice to the parties in interest, a public hearing was held at the commission office in Concord on October 2, 1978.

The petitioner, through Mrs. Inez Cushman, secretary of the company, set forth that the company has transferred all of its assets to the town of Canaan in August of 1978. Previous to that date, the town of Canaan had its town meeting by warrant authorize the town to assume the obligations and responsibilities of the Crystal Lake Water Company and has indicated that it

would provide water service to the present customers in the same manner as the company did prior to its transfer. Mrs. Inez Cushman is presently employed by the town of Canaan as the collector of water rents, and testifying in that capacity, she indicated that the town is maintaining the same service as the water company did in the past.

It should be noted that water utilities, by their very nature, more reasonably fall into the category of municipal ownership and operation; and this has been the pattern in New Hampshire, where the trend has been for private water companies, particularly the small ones, to be conveyed to municipal ownership and operation. There are basic reasons for this pattern — municipal operations are not subject to federal income taxes; municipalities can usually borrow money more cheaply; federal grants are available to municipally owned water departments, and not to private companies; and municipalities and/or water districts have the authority to tax which is another source of revenue to help support water service.

In view of the facts as developed in this case and the history of the company as set forth in various documents on file in this office, we are of the opinion that the public good would best be served by allowing the petition to terminate and discontinue operations as a public water utility in the town of Canaan.

Our order will issue accordingly.

Page 319

Order

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

Ordered, that the Crystal Lake Water Company be, and hereby is, authorized to permanently discontinue operations as a public water utility in the town of Canaan.

By order of the Public Utilities Commission of New Hampshire this fourth day of October, 1978.

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NH.PUC*10/05/78*[78172]*63 NH PUC 320*Littleton Water and Light Department

[Go to End of 78172]

Re Littleton Water and Light Department

DR 78-150, Supplemental Order No. 13,360

63 NH PUC 320

New Hampshire Public Utilities Commission

October 5, 1978

PETITION of water and light company seeking rate increase for water heating; granted; suspension order lifted.

BY THE COMMISSION:

Supplemental Order

Whereas, Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on July 27, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 1 — Electricity, providing for an increase in the rate for water heating; and

Whereas, such increase was suspended by commission Order No. 13,280, dated August 15, 1978, pending investigation and decision thereon; and

Whereas, it now appears that such increase is proper and the rights and interests of the public duly protected; it is

Ordered, that this suspension be, and hereby is, lifted; and that Fifth Revised Page 15, Water and Light Department of Littleton, New Hampshire, tariff, NHPUC No. 1 — Electricity, may become effective with all bills rendered on or after November 1, 1978; and it is

Further ordered, that public notice be given by one-time publication of this order in a newspaper having general circulation in the territory served.

By order of the Public Utilities Commission of New Hampshire this fifth day of October, 1978

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NH.PUC*10/10/78*[78173]*63 NH PUC 321*Concord Natural Gas Corporation

[Go to End of 78173]

Re Concord Natural Gas Corporation

DR 78-96, Fourth Supplemental Order No. 13,361

63 NH PUC 321

New Hampshire Public Utilities Commission

October 10, 1978

ORDER permitting fold-in of a portion of a utility's cost-of-gas adjustment.

RATES, § 303 — Cost-of-gas adjustments — Fold-in.

[N.H.] A utility was permitted to fold into its rates a portion of its existing cost-of-gas adjustment.

BY THE COMMISSION:

Supplemental Order

Whereas, on September 12, 1978, this commission authorized, by its Third Supplemental Order No. 13,348, a rate increase to Concord Natural Gas Corporation in the amount of \$111,619; and

Whereas, this rate increase resulted from a company filing which was made with this commission on February 18, 1978, and which was duly heard at public hearings at the commission offices in Concord; and

Whereas, in the course of that filing company testimony was presented proposing to fold in a portion of the existing cost-of-gas adjustment in the amount of \$0.0633 per therm; and

Whereas, no intervenor testimony was presented in opposition to that portion of the filing; and

Whereas, the policy of allowing gas companies under our jurisdiction to fold in such cost-of-gas adjustments in rate cases of this nature is well documented in commission records, and has been found to be in the public interest; it is

Ordered, that Concord Natural Gas Corporation be, and hereby is, permitted to fold into its basic rates an amount equal to \$0.0633 per therm, and to decrease its existing cost-of-gas adjustment by an equivalent amount to assure there is no resulting impact on customer bills; and it is

Further ordered, that Fourth Revised tariff Pages 19, 20 of its tariff, NHPUC No. — 13 Gas, be filed with this commission reflected such changes; and it is

Further ordered, that such revisions become effective with bills rendered on or after the date of filing with the commission of the revised tariff pages.

By order of the Public Utilities Commission of New Hampshire this tenth day of October, 1978.

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NH.PUC*10/16/78*[78174]*63 NH PUC 321*Pennichuck Water Works

[Go to End of 78174]

Re Pennichuck Water Works

DF 78-175, Order No. 13,365

63 NH PUC 321

New Hampshire Public Utilities Commission

October 16, 1978

PETITION for authority to issue and sell common stock; granted.

Page 321

1. SECURITY ISSUES, § 58 — Common stock issuance — Additions and betterments.

[N.H.] The commission granted a water utility authority to issue and sell common stock where it found the proceeds were to be used to retire short-term notes and to finance a portion of various construction projects. p. 322.

2. SECURITY ISSUES, § — 119 Stock issuance — Subscription plans.

[N.H.] The commission approved a plan to issue securities which provided that current stockholders would receive warrants permitting them to subscribe to one share of the new issue for each six shares currently held, and shares not purchased by current shareholders based on preemptive rights or oversubscription agreements could be offered to new investors. p. 322.

APPEARANCES: Fred L. Potter and Franklin Hollis for the petitioner.

BY THE COMMISSION:

Report

By this petition filed September 18, 1978, Pennichuck Water Works, a corporation duly organized and existing under the laws of the state of New Hampshire and operating as a water public utility in the city of Nashua and town of Merrimack under the jurisdiction of this commission, seeks authority pursuant to the provisions of RSA 369:1 to issue 19,600 shares of \$20 par value common stock for \$25 per share for a total consideration of \$490,000 in cash.

[1, 2] At the unopposed hearing on the petition, held in Concord on October 11, 1978, a company witness testified that the proceeds of the issue would be used to pay the expenses of the issue, retire short-term notes, and to finance a portion of various construction projects that were presented. The company proposed to offer subscription warrants to permit current stockholders to subscribe to one share of the new issue for each six shares currently held. If the offering is not fully subscribed by current shareholders based upon preemptive rights and oversubscription agreements, the company may extend the offering to new investors.

Upon consideration of the evidence submitted, the commission is satisfied that the proceeds herein will be used for the purposes herein listed above. The commission finds that the issuance of 19,600 shares of \$20 par value common stock is 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 Pennichuck Water Works be, and hereby is, authorized to issue and sell for cash 19,600 shares of its \$20 par value common stock for \$25 per share, such shares 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 on January 1st and July 1st in each year, Pennichuck Water Works 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 sixteenth day of October, 1978.

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NH.PUC*10/23/78*[78175]*63 NH PUC 323*Public Service Company of New Hampshire

[Go to End of 78175]

Re Public Service Company of New Hampshire

DR 77-49, 14th Supplemental Order No. 13,370

63 NH PUC 323

New Hampshire Public Utilities Commission

October 23, 1978

ORDER establishing an elderly customer discount program.

RATES, § 339 — Elderly customers — Rate structure.

[N.H.] An electric utility was ordered to submit a tariff which provided a rate structure for elderly citizens which excluded an allowance for construction work in progress.

APPEARANCES: Martin L. Gross for the company; J. Michael Love for the Legislative Utility Consumers' Council; Robert Clark for the commission; Dom S. D'Ambruoso, special counsel for the commission.

BY THE COMMISSION:

Report

The Public Service Company of New Hampshire, pursuant to commission report and 11th Supplemental Order No. 13,162, dated May 25, 1978, submitted a detailed proposal regarding rates for elderly citizens excluding the construction work in progress component (transcript p. 20) on June 19, 1978, by letter with several attachments (Exh P-18) describing a proposal for a 10 per cent discount for residential customers who are seventy years of age or older. On October 3, 1978, the commission held a duly noticed hearing.

In that filing the company calculated the revenue relating to construction work in progress which under the exemption would not be collected from elderly residential customers and further illustrated the manner in which this deficiency would be apportioned to all other customer classes.

Company witness Stetson described the requirements of the "elderly customer discount"

program (Exh P-20). Company witness Rodier testified regarding the administrative procedures for implementing this program. The elements of the program appear to be reasonable and the procedure for implementation also appears to be workable.

The bills of qualifying customers shall be treated in accordance with Rule 29(a) of the commission's tariff filing rules.

The commission at this time does not address the company request for the recoupment of the revenue deficiency occasioned by the implementation of the "elderly customer discount" program but reserves jurisdiction regarding this matter. The commission will review this program on an annual basis. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Public Service Company of New Hampshire file a revised tariff page of its D rate, NHPUC No. 22, providing for a discount of 10 per cent for

Page 323

its elderly customers (age seventy or over) to exempt such customers from the approximate amount of the portion of the residential rate related to the inclusion of construction work in progress in the rate base in accordance with the tariff proposal entitled "elderly customer discount" submitted as an attachment to Exh P-20 such revised tariff page to become effective November 1, 1978; and it is

Further ordered, that such discount shall remain in effect until the date the Seabrook generating station Unit No. 1 comes on line; and it is

Further ordered, that publication of this elderly discount provision be made by a one-time public notice in a newspaper having general circulation in the territory served and also by appropriate bill inserts to the company's customers.

By order of the Public Utilities Commission of New Hampshire this twenty-third day of October, 1978.

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NH.PUC*10/24/78*[78176]*63 NH PUC 324*Public Service Company of New Hampshire

[Go to End of 78176]

Re Public Service Company of New Hampshire

DF 78-182, Order No. 13,371

63 NH PUC 324

New Hampshire Public Utilities Commission

October 24, 1978

PETITION of electric utility for authority to increase its authorized stock beyond the amounts

fixed in its articles of agreement; granted.

SECURITY issues, § 2 — Increase of authorized stock — Corporate authorization.

[N.H.] Where a utility's stockholders voted to sanction an increase in the company's authorized stock beyond the level specified in the company's articles of agreement and the increase was sought for proper corporate purposes, the commission found the request to be consistent with the public good and permitted the utility to increase its authorized capital stock.

APPEARANCES: Ralph H. Wood and Russell A. Winslow for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition, filed September 25, 1978, 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 RSA 369:14 to increase its capital stock beyond the amounts fixed and limited by its articles of agreement as follows: to increase its authorized preferred stock, \$100 par value, from 900,000 to 1,350,000 shares, and to increase its authorized common stock, \$5 par value, from 12 million to 18 million shares.

At the duly noticed hearing on the petition, held in Concord on October 18, 1978, the company submitted that at a

Page 324

meeting of the preferred and common stockholders of the company held on May 11, 1978, and an adjourned session of said meeting held on May 31, 1978, the stockholders voted to amend the articles of agreement of the company to increase its authorized preferred stock, \$100 par value, and common stock to the higher amounts set forth in the company's petition, and a certified copy of the authorizing votes was submitted.

Company witness Harrison testified that the increases in the authorized capital stock were necessary for proper corporate purposes, including the financing of the company's construction program over the next several years.

Based upon all the evidence, the commission finds that the increase in the company's capital stock in the amounts requested in the petition for proper corporate purposes, including the financing of the company's construction program, will be consistent with the public good and should be approved and authorized. Our order will issue accordingly.

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

increase its authorized capital stock as follows: preferred stock, \$100 par value, from 900,000 to 1,350,000 shares, and common stock, \$5 par value, from 12 million to 18 million shares.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of October, 1978.

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NH.PUC*10/24/78*[78177]*63 NH PUC 325*Public Service Company of New Hampshire

[Go to End of 78177]

Re Public Service Company of New Hampshire

DF 78-187, Order No. 13,372

63 NH PUC 325

New Hampshire Public Utilities Commission

October 24, 1978

PETITION for authority to issue and sell common stock; granted.

SECURITY ISSUES, § 58 — Common stock issuance — Additions and betterments.

[N.H.] The commission granted an electric utility authorization to issue and sell additional shares of common stock where it found the proceeds of the sale were to be used to discharge a portion of the company's outstanding short-term notes.

APPEARANCES: Ralph H. Wood and Russell A. Winslow for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition, filed October 3, 1978, 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

Page 325

of this commission, seeks authority pursuant to the provisions of RSA 369 to issue and sell for cash not exceeding 2 million shares of common stock, \$5 par value. A duly noticed hearing was held in Concord on October 18, 1978.

Company witness Harrison testified that the proceeds of the sale of the common stock will be used to pay off a portion of the short-term notes outstanding at the time of the sale (estimated to be about \$69,625,000), 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. All expenses incurred in accomplishing the financing will be paid from the general funds of the company.

The common stock will be sold through a negotiated public offering. The company asserted its belief that the difficulty of raising capital in today's money markets continued to justify a negotiated public offering of the common stock and that a negotiated sale would result in terms at least as favorable as those that might be obtained through a competitive sale.

The company submitted a balance sheet as of August 31, 1978, actual and pro forma to reflect the sale of \$60 million of general and refunding mortgage bonds and the proposed sale of the common stock. Exhibits were also submitted showing: disposition of proceeds; estimated expenses of the issue; and capital structure as of August 31, 1978, actual and pro forma to reflect the sale of \$60 million of general and refunding mortgage bonds and the proposed sale of the common stock. 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 in proof form were put in evidence at the hearing.

Based upon all of the evidence, the commission finds 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 for other proper corporate purposes, and future finds that the issue and sale of the common stock will be consistent with the public good. Our order will issue accordingly.

Order

Based 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 2 million shares of 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 shall submit to this commission the number of shares of said common stock to be sold and the purchase price thereof, after which a supplemental order will issue approving the number of shares of said common stock to be sold and the purchase price thereof; and it is

Further ordered, that the proceeds from the sale of said common stock shall be used for the purpose of discharging and repaying a portion of the outstanding short-term notes of said company; and it is

Page 326

Further ordered, that Public Service Company of New Hampshire furnish this commission with copies of its registration statement for the common stock filed with the Securities and Exchange Commission and any amendments thereof; and it is

Further ordered, that on January 1st and July 1st in each year, Public Service Company of

New Hampshire shall file with this commission a detailed statement, duly sworn by its treasurer or assistant treasurer, showing the disposition of the proceeds 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 twenty-fourth day of October, 1978.

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NH.PUC*10/25/78*[78178]*63 NH PUC 327*New Hampshire Electric Cooperative, Inc.

[Go to End of 78178]

Re New Hampshire Electric Cooperative, Inc.

I-R14,807, Order No. 13,373

63 NH PUC 327

New Hampshire Public Utilities Commission

October 25, 1978

PETITION seeking approval of contract providing for electric service; granted.

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. 58 with J. Royden Ward, treasurer, d/b/a Conway Hampshire Estates, Inc., effective whenever service is made available, 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-fifth day of October, 1978.

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NH.PUC*10/25/78*[78179]*63 NH PUC 328*Northern Utilities, Inc., Allied Gas Division et al.

[Go to End of 78179]

Re Northern Utilities, Inc., Allied Gas Division et al.

DR 78-41 et al. Order No. 13,374

63 NH PUC 328

New Hampshire Public Utilities Commission

October 25, 1978

PETITION of gas utilities for cost-of-gas adjustments; denied.

REPARATION, § 42 — Cost-of-gas adjustments — Refunds.

[N.H.] The commission denied a utility's petition for a cost-of-gas adjustment even though it had no basis to question estimated gas costs or projected volumes where it found the company's plan to pass through refunds received from suppliers did not properly allocate interest on the refunded amounts.

APPEARANCES: John J. McLane, Jr., for Manchester Gas Company; Charles H. Toll for Gas Service, Inc., Northern Utilities, Inc. (Allied Gas Division), and Concord Natural Gas Corporation; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

In accordance with the commission's tariff filing rules and with the terms of the cost-of-gas adjustment (CGA) tariffs of each of the above named companies, proposed cost-of-gas adjustments for the winter period, November 1, 1978, to April 30, 1979, have been submitted for the commission's consideration.

The proposed cost-of-gas adjustments were as follows:

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

Northern Utilities, Inc., Allied Gas Division	\$0.0575 per therm
Concord Natural Gas Corporation	\$0.0891 per therm
Gas Service, Inc. - Nashua	\$0.0214 per therm
" - Laconia	\$0.0202 per therm
" - Keene	(\$0.1369 per therm)
Manchester Gas Company	\$0.833 per therm

A duly noticed public hearing was held at the offices of the commission on October 5, 1978, at which time witnesses for each of the distribution companies reviewed the various components of their representative cost-of-gas calculations. Testimony and cross-examination of witnesses at the hearing disclosed that the companies' methods of determining appropriate natural gas costs and peak-shaving costs were consistent with those accepted and approved by this commission in the past. We find no evidence to justify denial of the proposed revisions to estimated gas costs or projected volumes during the winter period.

In the matter of refunds, the companies had filed in early August, 1978, tariff supplements by which they proposed to refund moneys received from settlement of FERC Docket Nos. RP75-13, RP75-113, and RP76-137. These tariff supplements had been assigned docket DR 78-146 and had been suspended by commission Order No. 13,275 pending investigation and hearing. The

commission's schedule precluded this hearing until the date of the hearing for the cost-of-gas adjustment. Because of this delay, all companies are now prepared to combine the refund with the cost-of-gas adjustments

Page 328

during the next winter and summer periods, prorating them in relation to the actual therms sold over the same periods in which the overcollections were made. They also propose to include 8 per cent interest payments to customers.

We find the companies alternative plan to use the CGA as the vehicle for making the refund appropriate and in the public interest. We concur in their manner of allocating appropriate portions to both summer and winter periods, since those customers who actually were responsible for the original payments will become the recipients of the refund.

The utilities received their first refunds from their supplier in late July. (Additional amounts were received in September.) The utilities proposed initially to refund all moneys as credits to be applied monthly over a one-year period, starting on September 1, 1978. Simple interest at 8 per cent was to be added to the refund from the date(s) of receipt to the start of the refund. Additional interest was to accrue each month on the rolling average balance. the credits per therm were calculated from the total of the initial refund and the accrued interest dividend by the projected total sales of therms. This method has been used previously, and we find it appropriate except for the application of initial interest.

We find that the interest from the date(s) of receipt through October 31, 1978, must be added to the amount allocated to the winter CGA *before* the start of the rolling average balance calculation. Similarly, the refund allocated to the summer CGA period will be increased by the amount of interest accrued from the date(s) of receipt through April 30, 1979, *before* the average rolling balance calculation.

The commission takes judicial notice of its Order No. 12,947 in regard to the manner of refund.

Adjustments for undercollection or overcollection during the previous winter period have been made also consistent with tariff provisions. Two companies reported overcollection and two undercollection. For the former, 8 per cent simple interest is added to the credit.

The CGA for the winter period shall be effective with bills rendered on or after November 1, 1978, subject to modification noted herein. Our order will issue accordingly.

Order

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

Ordered, that 11th Revised Page 21 and Ninth Revised Page 21A of Concord Natural Gas Corporation tariff NHPUC No. 13 — Gas, providing for a cost-of-gas adjustment of \$0.0891 per therm for the period of November 1, 1978, through April 30, 1979, be, and hereby are, rejected; and it is

Further ordered, that Section 2, 12th Revised Page 3 of Gas Service, Inc. (Nashua) tariff NHPUC No. 5 — Gas, providing for a cost-of-gas adjustment of \$0.0214 per therm for the

period of November 1, 1978, through April 30, 1979, be, and hereby is, rejected; and it is

Further ordered, that Section 3, Tenth Revised Page 3 of Gas Service, Inc. (Keene) tariff NHPUC No. 5 — Gas, providing for a cost-of-gas adjustment of \$0.1369 per therm for the period of November 1, 1978, through April 30, 1979, be, and hereby is, rejected; and it is

Page 329

Further ordered, that Section 4, 11th Revised Page 3 of Gas Service, Inc. (Laconia) tariff NHPUC No. 5 — Gas, providing for a cost-of-gas adjustment of 10.0202 per therm for the period of November 1, 1978, through April 30, 1979, be, and hereby is, rejected; and it is

Further ordered, that 12th Revised Page 20 of Manchester Gas Company, Inc. tariff NHPUC No. 12 — Gas, providing for a cost-of-gas adjustment of \$0.0833 per therm for the period of November 1, 1978, through April 30, 1979, be, and hereby is, rejected; and it is

Further ordered, that Tenth Revised Page 22A of Northern Utilities, Inc., Allied Gas Division, tariff NHPUC No. 6 — Gas, providing for a cost-of-gas adjustment of \$0.0575 per therm for the period of November 1, 1978, through April 30, 1979, be, and hereby is, rejected; and it is

Further ordered, that Supplement No. 7 to NHPUC No. 13 — Gas, Concord Natural Gas Corporation, providing the means for refunding credits received from its supplier, be, and hereby is, rejected; and it is

Further ordered, that Supplement No. 1 to NHPUC No. 5 — Gas, Gas Service, Inc., providing the means for refunding credits received from its supplier, be, and hereby is, rejected; and it is

Further ordered, that Supplement No. 6 to NHPUC No. 12 — Gas, Manchester Gas Company, providing the means for refunding credits received from its supplier, be, and hereby is, rejected; and it is

Further ordered, that Supplement No. 12 to NHPUC No. 6 — Gas, Northern Utilities, Inc. (Allied Gas Division) providing the means of refunding credits received from its supplier, be, and hereby is, rejected; and it is

Further ordered, that all reporting companies submit revised tariff pages reflecting both the anticipated cost of gas and credits from refunds from suppliers in the manner shown by company exhibits at the public hearing and as modified by the commission in its report; and it is

Further ordered, that revised tariff pages filed as a result of this order shall be allowed to become effective with all bills rendered on or after November 1, 1978; and it is

Further ordered, that public notice of this cost-of-gas adjustment be given by publication in newspapers having a general circulation in the territories served.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of October, 1978.

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NH.PUC*10/25/78*[78180]*63 NH PUC 331*Claremont Gas Light Company

[Go to End of 78180]

Re Claremont Gas Light Company

DR 78-92, Order No. 13,375

63 NH PUC 331

New Hampshire Public Utilities Commission

October 25, 1978

PETITION for a rate increase; denied.

1. RETURN, § 26 — Cost of capital — Factors.

[N.H.] The commission revised a utility's submitted cost of capital where the company acknowledged that its deficit earned surplus had not been considered. p. 331.

2. VALUATION, § 251 — Customer deposits — Inclusion in capital structure.

[N.H.] The commission included customer deposits in a utility's capital structure. p. 331.

3. REVENUES, § 2 — Estimates — Sales to affiliate.

[N.H.] The imposition of a charge on a gas utility's sales of propane to its affiliate was considered by the commission in its estimation of the utility's annual revenues. p. 332.

4. RETURN, § 35 — Allowance for attrition — Factors.

[N.H.] The commission did not include an allowance for attrition in a utility's rates where the company noted that it faced competitive pressure with respect to space and hot water heating and that it wished to remain competitive with oil companies in those areas. p. 332.

APPEARANCES: Herbert Lieberman for the petitioner; Harold T. Judd for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Claremont Gas Light Company, a public utility engaged in the business of supplying and distributing gas in a part of New Hampshire, on June 2, 1978, filed with this commission a petition to increase its rates to produce additional annual gross revenues of \$22,853, or 10 per cent distributed uniformly across the board. On August 3, 1978, an order of notice was issued scheduling a hearing on September 21, 1978, at Concord. A duly noticed hearing was held at the office of the commission on September 21, 1978.

Rate of Return

[1] The company had originally submitted a cost of capital of 11.18 per cent; however, during cross-examination, it was acknowledged that the deficit earned surplus figure of \$52,526 had not been considered in determining their cost of capital. A proper adjustment reduces the company's requested rate of return to 10.67 per cent.

The commission staff recommends the following calculation, projecting a rate of return of 10.24 per cent be accepted.

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

			<i>Cost</i>			
	<i>Amount</i>	<i>Ratio</i>	<i>Rate</i>	<i>Amount</i>	<i>Per Cent</i>	
Customer						
Deposits	\$ 8,229	9.07	6.00	\$ 494	.54	
Notes Payable	35,000	38.59	8.85	3,098	3.42	
Equity	47,474	52.34	12.00	5,697	6.28	
	<u>\$90,703</u>	<u>100.00</u>		<u>\$9,289</u>	<u>10.24</u>	

[2] The commission includes customer deposits in the above calculation. This calculation considers the cost factor in the capital structure weighted

Page 331

by the other sources of company capital. The commission finds that the rate of return should be 10.24 per cent.

Rate Structure

The company proposes to spread the increase uniformly among the blocks. The commission concurs with this treatment.

Revenue Requirement

[3] During the hearing, the company acknowledged that they intended to institute a charge of one cent per gallon over cost on all sales of propane to their affiliate, Utilgas, Inc., retroactive to January 1, 1978. This charge should yield approximately \$5,955 to the company on an annual basis.

By taking this additional revenue into consideration and using the rate of return of 10.24 per cent, we arrive at an additional annual revenue requirement of \$15,416.

[4] No attrition has been allowed in this case in as much as the company's initial request was set at a level below its computed cost of capital. The company asked for rates to be determined in part based on the competitive pressures under which they operate and not solely on the level of earnings to which they are theoretically entitled. The company noted that it experiences competition particularly with respect to space heating and hot water heating and did not want to lose customers to oil companies thus increasing the cost burden on the remaining customers. Thus, the company exhibited a desire to balance the increase in rates against the retention of customers.

Upon consideration of the above report, the commission will allow the increase in rates enabling the company to collect additional annual revenues of \$15,416 per year.

Order

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

Ordered, that Fifth Revised Pages 13, 14, 15, and 16 of tariff NHPUC No. 9 — Gas, Claremont Gas Light Company, previously suspended by commission Order No. 13,186, be, and hereby are, rejected; and it is

Further ordered, that Claremont Gas Light Company file Sixth Revised Pages 13, 14, 15, and 16 in lieu of the above, said revisions to reflect an overall increase in annual revenues of \$15,416 and to be spread by an equal percentage among the various classes; and it is

Further ordered, that said pages become effective with all billings rendered on or after November 1, 1978; and it is

Further ordered; that public notice be given by one-time publication of this order in a newspaper having general circulation in the territory served.

By order of the Public Utilities Commission of New Hampshire this twenty-fifth day of October, 1978.

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NH.PUC*10/26/78*[78181]*63 NH PUC 333*Mount Crescent Water Company

[Go to End of 78181]

Re Mount Crescent Water Company

DR 78-63, Order No. 13,377

63 NH PUC 333

New Hampshire Public Utilities Commission

October 26, 1978

PETITION for a rate increase; granted.

1. VALUATION, § 25 — Date of valuation — Averages.

[N.H.] The commission accepted a rate base computed by taking the beginning and end of year average amounts. p. 333.

2. VALUATION, § 287 — Working capital allowance — Computation.

[N.H.] A utility's working capital allowance was computed as one-eighth of the operations and maintenance expense for the test year. p. 333.

3. RETURN, § 20 — Amount — Less than actual cost.

[N.H.] Where a utility's capital structure was composed 100 per cent of equity, and the company reflected the cost of capital as 12 per cent, the commission granted the company's

request for a 4.9 per cent rate of return. p. 333.

APPEARANCES: Dr. William Pfeffer, Jr., for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

By petition filed May 4, 1978. Mount Crescent Water Company, a public utility engaged in the business of supplying water in a granted franchise area in the state of New Hampshire, sought authority to revise its tariff. NHPUC No. 3 — Water. These revisions to the company's general water service Classification G would result in a 24 per cent increase in rates, effective June 1, 1978.

Per Order No. 13,142, dated May 17, 1978, the filing was suspended. A duly noticed hearing was held at the commission office on October 25, 1978.

Expenses

The company utilized the calendar year 1977 as the test year. No pro forma adjustments were made.

We accept the undisputed revenue deductions of \$2,364.

Rate Base

[1] The company submitted a rate base of \$20,426. It was computed by taking the beginning and end of year average. There are no customer deposits or advances, so they were not an issue.

[2] Working capital was computed simply as one-eighth of the operations and maintenance expense for the test year.

We accept the rate base as filed of \$20,426.

Cost of Capital

[3] The company's capital structure per Exh P-1 and the annual report filed with the public utilities commission is comprised 100 per cent of equity. The company reflected the cost of such at 12 per cent. In the revenue request, the rate of return requested was only 4.9 per cent.

As the 4.9 per cent was not questioned by any parties, we accept it.

Page 333

Revenue Requirement

The revenue requirement in this case is simply computed by multiplying the accepted rate base, \$20,426, by the accepted cost of capital, 4.9 per cent. The result is approximately \$1,000. Adjusting for interest earned on the company's cash balance and adding accepted test-year expenses of \$2,364, yields a revenue requirement of \$3,106. This is the amount requested by the company which we accept.

Rate Structure

The filing proposed to increase the base charge from \$23 to \$38 per annum. Fixture charges remain at \$2 each for the first four, \$1 each for all others. Testimony revealed that billing was annual in June for services to be provided in the ensuing year. The 1978-79 bills have been issued, so any allowed increase would apply to subsequent bills. We concur with this application of the increase. Our order will issue accordingly.

Order

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

Ordered, that Second Revised Page 5 of tariff, NHPUC No. 3 — Water, of Mount Crescent Water Company, be, and hereby is, approved by this commission, effective on the date of this order; and it is

Further ordered, that public notice be given by one-time publication of this order in a newspaper having general circulation in the territory served.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of October, 1978.

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NH.PUC*10/26/78*[78182]*63 NH PUC 334*Francestown Village Water Company

[Go to End of 78182]

Re Francestown Village Water Company

DR 78-202, Order No. 13,380

63 NH PUC 334

New Hampshire Public Utilities Commission

October 26, 1978

PETITION of water utility seeking rate increase; suspended pending commission investigation.

BY THE COMMISSION:

Order

Whereas, Francestown Village Water Company, a public utility engaged in the business of supplying water service in the state of New Hampshire, on October 26, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 3 — Water, providing for an increase in rates, effective November 10, 1978; and

Whereas, it appears to the commission that the rights and interests of the public affected require that the effective date thereof be suspended pending investigation and decision thereon; it is

Ordered, that Second Revised Page No. 6 of tariff, NHPUC No. 3 — Water, of Francestown Village Water Company

be, and hereby is, suspended until otherwise ordered by this commission.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of October, 1978.

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NH.PUC*10/27/78*[78183]*63 NH PUC 335*Public Service Company of New Hampshire et al.

[Go to End of 78183]

Re Public Service Company of New Hampshire et al.

DR 76-46, 33rd Supplemental Order No. 13,381

63 NH PUC 335

New Hampshire Public Utilities Commission

October 27, 1978

PETITIONS of electric utilities for authority to apply a fuel adjustment charge to regular monthly bills; granted.

RATES, § 303 — Fuel adjustment clauses — Electric companies.

[N.H.] The commission permitted electric utilities to apply a fuel surcharge to their regular monthly bills.

APPEARANCES: Eaton W. Tarbell, Jr., and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Robert W. Bouvier for Exeter and Hampton Electric Company; Wayland Morse for New Hampshire Electric Cooperative, Inc.; William G. Hayes for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Diane Gilman for the Connecticut Valley Electric Company, Inc.; Michael V. Roy for the Woodsville Water and Light Department; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A (II), the commission on October 19, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular November, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and

explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on October 17, 1978, filed with this commission 24th Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect November 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corporation. Woodsville reported that during the month of September, 1978, the total fuel cost billed by Central Vermont was \$5,006.97. During this

Page 335

same period the total kilowatt-hours sold by Woodsville was 866,991. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of November, 1978, is 58 cents per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on October 12, 1978, filed with this commission 58th Revised Page 6 to its tariff, NHPUC No. 1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect November 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of September, 1978, was \$8,159.28. During this same period the total kilowatt-hours sold by Littleton were 2,859,139. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of November, 1978, is 29 cents per hundred kilowatt-hours.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on October 6, 1978, filed with this commission Second Revised Page 11 to its tariff, NHPUC No. 5 — Electricity, comprising the monthly calculation of the fuel adjustment for effect November 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of September, 1978, the total fuel cost billed by Public Service was \$23,957.04. During this same period the total kilowatt-hours sold by Wolfeboro was 2,140,970. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of November, 1978, is \$1.11 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on October 16, 1978, filed with this commission 50th Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect November 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was \$8,309.22. Total sales to Granite State

customers during the same period was 29,530,158 kilowatt-hours. By simple division this yields \$0.002753 per kilowatt-hour which is added to the fixed fuel portion of \$0.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of November, 1978, is proposed to be \$1.52 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on October 17, 1978, filed with this commission Seventh Revised Page 17 to its tariff, NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect on November

Page 336

1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of September, 1978, was \$248,205. Total sales by the Co-op during the same month were 23,115,089 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of November, 1978, is \$1.07 per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on October 18, 1978, filed with this commission 19th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect November 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of September, 1978, the total fuel cost billed by Central Vermont was \$78,069. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 11,625,257. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of November, 1978, is 67 cents per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on October 13, 1978, filed with this commission 40th Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect November 1, 1978. Exeter and Hampton Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of September, 1978, was \$267,518.64. Total sales by Exeter and Hampton during the same period were 24,247,665 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of November, 1978, is \$1.10 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on October 12, 1978, filed with this commission 44th

Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect November 1, 1978. Concord Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of September, 1978, was \$246,257.83. Total sales during that same period were 21,609,784 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of November, 1978, is \$1.14 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New

Page 337

Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on October 17, 1978, filed with this commission Eighth Revised Page 17, 18 to its tariff, NHPUC No. 22 — Electricity, comprising the monthly calculations of the fuel adjustment charge for effect November 1, 1978.

The company reported a fuel cost above base of \$6,898,568 and total hours subject to the fuel adjustment of 416,082,000. By simple division and rounded, this yields \$1.31 per hundred kilowatt-hours to be applied to customers bills rendered in November, 1978.

The proposed fuel surcharge for November represents a 21-cent decrease over the fuel surcharge of October. The decrease is primarily attributed to several causes even though Merrimack Unit 2 continued out for the full month for maintenance: (1) a decrease in energy lost and unaccounted for; (2) an increase in purchases of nuclear power; and (3) a reduction in the average cost of purchases from NEPEX.

Based upon all of the testimony and evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of November, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Eighth Revised Pages 17 and 18 of Public Service Company of New Hampshire tariff, NHPUC No. 22 — Electricity, providing for the monthly fuel surcharge of \$1.31 per hundred kilowatt-hours for the month of November, 1978, be, and hereby is, permitted to become effective November 1, 1978; and it is

Further ordered, that 14th Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.14 per hundred kilowatt-hours for the month of November, 1978, be, and hereby is, permitted to become effective November 1, 1978 and it is

Further ordered, that 40th Revised Page 16 of Exeter and Hampton Electric Company tariff, NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.10 per hundred kilowatt-hours for the month of November, 1978, be, and hereby is, permitted to become

effective November 1, 1978; and it is

Further ordered, that 19th Revised Page 18 of Connecticut Valley Electric Company, Inc. tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of 67 cents per hundred kilowatt-hours for the month of November, 1978, be, and hereby is, permitted to become effective November 1, 1978; and it is

Further ordered, that Seventh Revised Page 17 of New Hampshire Electric Cooperative, Inc. tariff NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.07 per hundred kilowatt-hours for the month of November, 1978, be, and hereby is, permitted to become effective November 1, 1978; and it is

Further ordered, that 50th Revised Page 15A of Granite State Electric Company tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.52 per hundred kilowatt-hours for the month of November, 1978, be, and

Page 338

hereby is, permitted to become effective November 1, 1978; and it is

Further ordered, that Second Revised Page 11 of the Municipal Electric Department of Wolfeboro tariff, NHPUC No. 5 — Electricity, providing for the monthly fuel surcharge of \$1.11 per hundred kilowatt-hours for the month of November, 1978, be, and hereby is, permitted to become effective November 1, 1978; and it is

Further ordered, that 58th Revised Page 6 of Littleton Water and Light Department tariff, NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of 29 cents per hundred kilowatt-hours for the month of November, 1978, be, and hereby is, permitted to become effective November 1, 1978; and it is

Further ordered, that 24th Revised Page 10B of Woodsville Water and Light Department tariff, NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of 58 cents per hundred kilowatt-hours for the month of November, 1978, be, and hereby is, permitted to become effective November 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of October, 1978.

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NH.PUC*11/13/78*[78184]*63 NH PUC 339*Public Service Company of New Hampshire

[Go to End of 78184]

Re Public Service Company of New Hampshire

DR 77-49, 15th Supplemental Order No. 13,393

63 NH PUC 339

New Hampshire Public Utilities Commission

November 13, 1978

ORDER extending time for elderly customers to apply for electric rate discounts.

BY THE COMMISSION:

Supplemental Order

Whereas, commission Order No. 13,370 allowed the Public Service Company of New Hampshire to provide a 10 per cent discount for its elderly customers age seventy and above; and

Whereas, the effective date of such discount policy was November 1, 1978; and

Whereas, a 60-day grace period was allowed to process initial application to receive discounts from November 1, 1978, and it now appears that processing such initial applications will require additional time; it is

Ordered, that accounts of any eligible customer applying before February 1, 1979, receive discount credits from November 1, 1978.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of November, 1978.

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NH.PUC*11/13/78*[78185]*63 NH PUC 340*Granite State Telephone Company

[Go to End of 78185]

Re Granite State Telephone Company

I-R14,810, Order No. 13,394

63 NH PUC 340

New Hampshire Public Utilities Commission

November 13, 1978

PETITION for authority to offer custom calling services on a trial basis; granted.

SERVICE, § 449 — Service by particular utilities — Telephone — Special service.

[N.H.] A telephone company was permitted to offer custom calling services to its customers on a trial basis where provisions had been made to discontinue the service if unsuccessful and the offering appeared to be in the best interest of the public.

BY THE COMMISSION:

Order

Whereas, Granite State Telephone, a public utility engaged in supplying telephone service in the state of New Hampshire, on October 26, 1978, filed with this commission tariff pages providing for the offering of custom calling services on a trial basis to customers in its Chester exchange, effective November 11, 1978; and

Whereas, these services consist of incoming call alert, call forwarding, conference calling, abbreviated dialing, instant recall and ringback; and

Whereas, this petition is for a 60-day trial period, beginning on October 16, 1978, and expiring on December 16, 1978; and

Whereas, the custom calling services are on an experimental basis, and will be offered to customers on a 15-day demonstration basic, and, if not desired, will be discontinued with no charge; and

Whereas, should the feasibility of, and customer interest in, custom calling be unacceptable, the service will be withdrawn; and

Whereas, should the experiment prove successful, it will be offered to subscribers at rates and charges as filed with the petition; and

Whereas, the petition and services offering appear to be in the best interest of the public; it is

Ordered, that Section 3, Original Pages 9K, 9L, and 9M of Granite State Telephone tariff, NHPUC No. 6 — Telephone, be, and hereby are, approved effective November 11, 1978; and it is

Further ordered, that publication of this tariff filing be made in accordance with Rule 27 of the commission's tariff filing rules.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of November, 1978.

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NH.PUC*11/14/78*[78186]*63 NH PUC 341*Meriden Telephone Company

[Go to End of 78186]

Re Meriden Telephone Company

DF 78-193, Order No. 13,395

63 NH PUC 341

New Hampshire Public Utilities Commission

November 14, 1978

PETITION for authority to issue long-term debt; granted.

SECURITY ISSUES, § 58 — Purposes of capitalization — Additions and betterments.

[N.H.] A telephone company which sought to issue long-term debt through mortgage notes was authorized to do so by the commission where the company proposed to use the proceeds of the loan for improvements in service, construction of new facilities and plant, purchase of stock of the lender, and refinancing of certain existing long-term debt, and where the company's board of directors had authorized the proposed financing.

APPEARANCES: Robert Upton II for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed October 16, 1978, Meriden Telephone Company, a telephone public utility operating under the jurisdiction of this commission, seeks authority pursuant to the provisions of RSA 369, and any amendments thereto, to issue and sell its mortgage notes in an aggregate amount of \$677,250 to the Rural Telephone Bank.

The petitioner alleges in its petition and represented at the public hearing in Concord on November 8, 1978, that its presently authorized long-term debt consists of authorized borrowing of which the amount presently outstanding as of June 30, 1978, is \$115,355. As of June 30, 1978, the petitioner had short-term notes outstanding in the sum of \$100,957. Its presently authorized common stock consists of 300 shares having no par value with 228 shares issued and outstanding valued at \$62,760.

As of December 31, 1978, it will have short-term notes outstanding in the sum of \$113,128.

Petitioner has entered into an agreement with the Rural Telephone Bank to issue to it \$677,250 in mortgage notes payable in quarterly payments over a 35-year period, with interest at 6.5 per cent per annum, included in the payments. Petitioner proposes to use the proceeds of this loan for the necessary improvements of service including total one-party service system with a tariff which does not include mileage or zone changes for any customer, construction of new telephone facilities, buildings, central office equipment, outside plant and station equipment, purchase of Class B stock of the lender and refinancing of certain existing long-term debt as set forth in detail on Exh 1 submitted:

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

EXHIBIT 1
Land - Right of way
Buildings
Central Office Equipment
Station Installation & Equipment

Outside Plant
Furniture & Office Equipment
Vehicles & Other Work Equipment
Engineering

Total Construction
Cost of Removal
Class B Stock
Refinancing

Total Loan

The petitioner filed the requisite minutes of a special meeting of the board of directors authorizing the proposed financing. Also filed as exhibits at the hearing were the company's schedule of contemplated construction and use of loan funds; estimated cost of financing, a balance sheet as of June 30, 1978, pro forma to reflect the financing through 1983; detail of expenses and income projection pro forma through 1983; depreciation schedule; rate base and rate return results and capitalization ratios. Also filed were specimen copies of the mortgage note, loan contract agreement, and mortgage and security agreement.

Upon consideration and investigation of the evidence and exhibits submitted, this commission finds that the authorization sought herein will result in an improvement of the quality of telephone service in the area served by the company. The commission is further of the opinion that the proposed issuance of these notes, upon the terms and for the purposes outlined at the hearing, is consistent with the public good since the projected expenditures will serve to satisfy anticipated demands for the company's service. We find that the improvements of the quality of telephone service and the requisite planning for anticipated customer demands are contingent upon the proposed financing. Our order will issue accordingly.

Order

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

Ordered, that Meriden Telephone Company be, and hereby is, authorized to issue and sell from time to time two secured promissory notes in the aggregate principal amount of \$677,250 said notes to bear interest at the rate of 6.5 per cent per annum, payable quarterly, and notes to be payable over a period of thirty-five years, and to be secured by a mortgage of and security agreement applicable to all the petitioner's property, presently owned or after acquired, including its franchises, and said borrowing to be subject to the provisions of the proposed telephone loan contract, the provisions of which proposed telephone loan contract, proposed secured promissory notes, and proposed mortgage and security agreement are as set forth in the exhibits attached to the petition and on file with the commission; and it is

Further ordered, that the said secured promissory notes will be issued for addition to and improvement of plant facilities including a total one-party service system with a tariff which does not include mileage or zone charges for any customer, refinancing of certain existing long-term debt, purchase of certain other assets and for other lawful corporate purposes, as set forth in the petition and attached exhibits; and it is

Further ordered, that on January 1st and July 1st of each year, said Meriden Telephone Company shall file with this commission a detailed statement sworn

Page 342

to by its treasurer, showing the disposition of the proceeds of said notes until the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of November, 1978.

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NH.PUC*11/22/78*[78187]*63 NH PUC 343*Public Service Company of New Hampshire et al.

[Go to End of 78187]

Re Public Service Company of New Hampshire et al.

DR 76-46, 34th Supplemental Order No. 13,401

63 NH PUC 343

New Hampshire Public Utilities Commission

November 22, 1978

PETITION of electric companies for authority to apply a fuel adjustment charge to regular monthly billings to their customers; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where electric utilities had filed revisions to their tariffs comprising the monthly calculation of their fuel adjustment charges, the commission found that the filings were in accordance with the applicable provisions of law, that the proposed fuel adjustment charges were just and reasonable, and approved the rate increases.

APPEARANCES: Eaton W. Tarbell, Jr., and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Robert W. Boisvert for Exeter and Hampton Electric Company; Thomas W. Morse for New Hampshire Electric Cooperative, Inc.; Kirk L. Ramsauer for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Diane Gilman for the Connecticut Valley Electric Company, Inc.; Michael V. Roy for the Woodsville Water and Light Department.

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A(II), the commission on November 20, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular December, 1978, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on November 15, 1978, filed with this

commission 25th Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect

Page 343

December 1, 1978. Woodsville purchases all of its requirements from Central Vermont Public Service Corp. Woodsville reported that during the month of October, 1978, the total fuel cost billed by Central Vermont was \$5,557.41. During this same period the total kilowatt-hours sold by Woodsville was 630,700. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of December, 1978, is 88 cents per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire on November 15, 1978, filed with this commission 59th Revised Page 6 of its tariff, NHPUC No. 1 — Electricity, comprising the monthly calculations of the fuel adjustment charge for effect December 1, 1978. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of October, 1978, was \$7,299.42. During this same period the total kilowatt-hours sold by Littleton were 2,643,620. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of December, 1978, is 28 cents per hundred kilowatt-hours.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on November 9, 1978, filed with this commission Third Revised Page 11 to its tariff, NHPUC No. 5 — Electricity, comprising the monthly calculation of the fuel adjustment for effect December 1, 1978. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of October, 1978, the total fuel cost billed by Public Service was \$32,110.92. During the same period the total kilowatt-hours sold by Wolfeboro was 1,916,057. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of December, 1978, is \$1.67 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on November 15, 1978, filed with this commission 51st Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect December 1, 1978. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was \$69,694.85. Total sales to Granite State customers during the same period was 29,388,498 kilowatt-hours. By simple division this yields \$.002372 per kilowatt-hour which is added to the fixed fuel portion of \$0.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of December, 1978, is proposed to be \$1.48 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative,

Page 344

Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on November 15, 1978, filed with this commission Eighth Revised Page 17 to its tariff, NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect December 1, 1978. The company reported that the total fuel cost billed by its several power suppliers for power during the month of October, 1978, was \$315,353. Total sales by the Co-op during the same month were 23,698,823 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of December, 1978, is \$1.33 per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire on November 16, 1978, filed with this commission 20th Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect December 1, 1978. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of October, 1978, the total fuel cost billed by Central Vermont was \$89,328. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 12,963,375. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of December, 1978, is 69 cents per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on November 13, 1978, filed with this commission 41st Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect December 1, 1978. Exeter and Hampton Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of October, 1978, was \$373,501.36. Total sales by Exeter and Hampton during the same period were 23,103,028 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of December, 1978, is \$1.62 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on November 8, 1978, filed with this commission 45th Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect December 1, 1978. Concord Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of October,

1978, was \$342,362.37. Total sales during that same period were 21,940,358 kilowatt-hours. The fuel adjustment charge,

Page 345

therefore, by simple division and rounded which is proposed for effect in the month of December, 1978, is \$1.56 per hundred kilowatt-hours.

Public Service Company of A New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on November 16, 1978, filed with this commission Ninth Revised Page 17 and 18 to its tariff, NHPUC No. 22 — Electricity, comprising the monthly calculations of the fuel adjustment charge for effect December 1, 1978.

The company reported a fuel cost above base of \$6,274,667 and total kilowatt-hours subject to the fuel adjustment of 421,176,000, resulting in a per kilowatt-hour charge of \$.01489797. On September 2, 1978, the annual coal pile survey at Merrimack station was conducted revealing an additional 18,710.4 tons of fuel. By dividing \$476,776, that portion of the additional coal reserves applicable to the retail customers, by 411,402,021 kilowatt-hours, the estimated December, 1978, retail sales, an adjustment of \$.0115891 is obtained, which when applied to the \$.01489797 calculated above yields a fuel adjustment charge of \$1.37 per hundred kilowatt-hours to be applied to all bills rendered in the month of December, 1978.

Based upon all of the testimony and evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of December, 1978, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Ninth Revised Pages 17, 18 of Public Service Company of New Hampshire tariff, NHPUC No. 22 — Electricity, providing for the monthly fuel surcharge of \$1.37 per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted to become effective December 1, 1978; and it is

Further ordered, that 45th Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.56 per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted to become effective December 1, 1978; and it is

Further ordered, that 41st Revised Page 16 of Exeter and Hampton Electric Company tariff, NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.62 per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted to become effective December 1, 1978; and it is

Further ordered, that 20th Revised Page 18 of Connecticut Valley Electric Company, Inc. tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of 69 cents per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted to

become effective December 1, 1978; and it is

Further ordered, that Eighth Revised Page 17 of New Hampshire Electric Cooperative, Inc. tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.33 per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted

Page 346

to become effective December 1, 1978; and it is

Further ordered; that 51st Revised Page 15A of Granite State Electric Company tariff, NHPUC No.8 — Electricity, providing for the monthly fuel surcharge of \$1.48 per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted to become effective December 1, 1978; and it is

Further ordered, that Third Revised Page 11 of the Municipal Electric Department of Wolfeboro tariff, NHPUC No. 5 — Electricity, providing for the monthly fuel surcharge of \$1.67 per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted to become effective December 1, 1978; and it is

Further ordered, that 59th Revised Page 6 of Littleton Water and Light Department tariff, NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of 28 cents per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted to become effective December 1, 1978; and it is

Further ordered, that 25th Revised Page 10B of Woodsville Water and Light Department tariff, NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of 88 cents per hundred kilowatt-hours for the month of December, 1978, be, and hereby is, permitted to become effective December 1, 1978.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of November, 1978.

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NH.PUC*11/22/78*[78188]*63 NH PUC 347*Merrimack County Telephone Company

[Go to End of 78188]

Re Merrimack County Telephone Company

DF 78-205, Order No. 13,402

63 NH PUC 347

New Hampshire Public Utilities Commission

November 22, 1978

PETITION for authority to borrow on short-term notes; granted.

SECURITY ISSUES, § 58 — Purposes of capitalization — Additions and betterments.

[N.H.] Where a telephone company sought to increase its short-term borrowing authority and to issue notes up to that proposed limit, the commission granted the request finding that the increase upon the terms proposed was in the public good.

APPEARANCES: Douglas S. Hatfield, Jr., for the petitioner.

BY THE COMMISSION:

Report

By this petition filed October 6, 1978, Merrimack County Telephone Company, a telephone public utility operating under the jurisdiction of this commission, seeks authority pursuant to RSA 369 to increase its short-term borrowing authority to \$1,780,000, from \$1,230,000 and to issue its note, or notes, not in excess of \$1,780,000.

At the unopposed hearing on the petition held in Concord on November 15,

Page 347

1978, the petitioner requested and was allowed to include the prefiled exhibits submitted the prior week in DR 78-188, in which Merrimack had petitioned the commission for approval of REA mortgage financing.

The petitioner indicated that this authority was necessary to bridge the gap between necessary timely payments of plant extensions, additions, and replacements and the receipt of moneys from the Rural Electrification Administration.

Upon investigation and consideration of the evidence submitted, this commission is satisfied that the authority sought upon the terms proposed will be in 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 Merrimack County Telephone Company be, and hereby is, authorized to increase its short-term borrowing to \$1,780,000 from \$1,230,000 and to issue and sell its note, or notes, not in excess of \$1,780,000; and it is

Further ordered, that the proceeds from the sale of the said note, or notes, will be applied to extensions and improvements of its physical plant including engineering charges, right-of-way procurement, and other charges usually incurred in the improvement and expansion of telephone utilities; and it is

Further ordered, that on January 1st and July 1st 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 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 twenty-second day of November, 1978.

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NH.PUC*11/22/78*[78189]*63 NH PUC 348*Boston and Maine Corporation

[Go to End of 78189]

Re Boston and Maine Corporation

I-T14,812, Order No. 13,403

63 NH PUC 348

New Hampshire Public Utilities Commission

November 22, 1978

PETITION of railroad company regarding the effective date of rate increase; granted.

BY THE COMMISSION:

Order

In the matter of the petition of the Boston and Maine Corporation, by W. J. Hardin, tariff publishing agent, for, and on behalf of, carriers in New England territory, pursuant to RSA 378, praying for authority to put into effect on less than statutory notice, supplement to involved tariff schedule, to provide for the following:

To increase the freight rates; said

Page 348

publication to be made in the next consecutively numbered supplement to the tariff involved, the Interstate Commerce Commission having issued its special permission, 79-400, and it appearing desirable that the practices with respect to intrastate traffic be continued harmoniously with those applicable to interstate traffic; it is

Ordered, that said petitioner, under the statute above referred to, be, and hereby is, authorized to put into effect on less than statutory notice, the publication above mentioned; and it is

Further ordered, that the above order number shall be shown on the face of the tariff as authority for this less than statutory notice.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of November, 1978

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NH.PUC*11/22/78*[78190]*63 NH PUC 349*Merrimack County Telephone Company

[Go to End of 78190]

Re Merrimack County Telephone Company

DF 78-188, Order No. 13,404

63 NH PUC 349

New Hampshire Public Utilities Commission

November 22, 1978

PETITION for approval of federal mortgage financing; granted.

SECURITY ISSUES, § 58 — Purposes of capitalization — Additions and betterments.

[N.H.] A telephone company, which sought authority to issue mortgage notes as per terms and conditions of a loan agreement with the Rural Electrification Administration of the Department of Agriculture, was permitted to issue the notes where the proceeds from the financing would be used to retire long- and short-term notes and for plant extensions, additions, and replacements.

APPEARANCES: Douglas S. Hatfield, Jr., for the petitioner.

BY THE COMMISSION:

Report

The Merrimack County Telephone Company, a public telephone utility operating under the jurisdiction of this commission, on October 6, 1978, sought authority, pursuant to RSA 369, to issue its mortgage notes in a total amount not exceeding \$4.6 million at an interest rate not in excess of 5 per cent per annum, as per terms and conditions of a certain loan agreement dated August 1, 1978, with the Rural Electrification Administration of the United States Department of Agriculture.

At the uncontested hearing held in Concord on November 8, 1978, it was testified to that the proceeds from said financing would be used to retire existing long- and short-term notes, and the remainder of the loan proceeds would be used for plant extensions, additions, and replacements.

Upon consideration and investigation of the evidence and exhibits submitted, this commission finds that the proposed issuance of these notes, upon the terms, conditions, and purposes outlined at the

Page 349

hearing, is 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 Merrimack County Telephone Company be, and hereby is, authorized to issue and sell for cash to the United States of America Rural Electrification Administration its mortgage notes in a principal amount outstanding at any one time not in excess of \$4.6 million at an interest rate not exceeding 5 per cent per annum; and it is

Further ordered, that as security for said notes, the Merrimack County Telephone Company be, and hereby is, authorized to mortgage its plant, property, facilities, and other assets; and it is

Further ordered, that the proceeds from the sale of said mortgage notes shall be used for extension and improvement of its plant as set forth in said petition, and to retire its existing short-term notes and first mortgage notes; and it is

Further ordered, that on January 1st and July 1st of each year, said Merrimack County Telephone Company shall file with this commission a detailed statement sworn to by its treasurer, showing the disposition of the proceeds of said notes until the whole of said proceeds shall have been fully accounted for.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of November, 1978.

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NH.PUC*11/28/78*[78191]*63 NH PUC 350*Service Territories for Electric Utilities

[Go to End of 78191]

Re Service Territories for Electric Utilities

I-A14,674, Second Supplemental Order No. 13,406

63 NH PUC 350

New Hampshire Public Utilities Commission

November 28, 1978

ORDER extending filing date.

PROCEDURE, § 39 Time limitations — Generally — Extensions.

[N.H.] Where analysis of the amount of work involved in connection with defining the service territories for electric utilities indicated the program could not be completed by the date set, the commission extended the filing date.

BY THE COMMISSION:

Supplemental Order

Whereas, by Order No. 13,066 and First Supplemental Order No. 13,205, this commission

extended the filing date of February 26, 1978, to July 1, 1978, and January 1, 1979, respectively; and

Whereas, a further analysis of the work involved in connection with reviewing existing franchise data, making field inspections and preparation of necessary maps, including four hearings held to date, indicates that this program cannot be reasonably and properly completed by January 1, 1979; it is

Ordered, that the last extension date

Page 350

of January 1, 1979, be, and hereby is, further extended to December 31, 1979.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of November, 1978.

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NH.PUC*11/28/78*[78192]*63 NH PUC 351*Public Service Company of New Hampshire

[Go to End of 78192]

Re Public Service Company of New Hampshire

DE 78-34, Order No. 13,407

63 NH PUC 351

New Hampshire Public Utilities Commission

November 28, 1978

REQUEST for exemption from a municipal zoning ordinance; granted.

ZONING — Exemption from municipal ordinance — Grounds for granting.

[N.H.] An electric company was granted an exemption from a municipal zoning ordinance with respect to wells driven to supply the needs of the town and the company's nuclear power plant where the substantially higher cost of alternative methods of supplying water for the company's needs was found to be an unnecessary expense in view of the availability of water from the company's own wells, upon the condition that tests ordered by the commission proved that no negative effect would be experienced by the town's water system.

APPEARANCES: Lawrence E. Spellman for the petitioner; John T. Ryan and Robert Backus for the town of Hampton Falls.

By the COMMISSION:

Report

On March 21, 1978, Public Service Company of New Hampshire, a duly organized corporation having its principal place of business in Manchester, New Hampshire, and engaged in business as a public utility in New Hampshire, submitted to this commission a petition under RSA 31:62 for exemption from a zoning ordinance of the town of Hampton Falls. The petition requested that the commission exempt the company from the operation of the zoning ordinance of the town of Hampton Falls, New Hampshire, as it applies to the construction and use of:

- (1) wells and structures
- (2) transmission lines
- (3) tunnels

Public hearings were held at the commission's Concord offices on May 2, 23, 24, and August 15, 1978. A public hearing was held at the Hampton Falls town hall on June 7, 1978.

On April 27, 1978, Robert A. Backus filed with this commission a motion to dismiss petition, contending that any permission for override of local zoning should have been included in the certificate of site and facility issued to Public Service Company of New Hampshire on January 29, 1974, and that relief from zoning under RSA 31:62 is not available to the petitioner.

Page 351

As to the motion to dismiss the petition on the ground that RSA 162-F requires exemptions from local zoning ordinances be resolved before the site evaluation committee, it is the opinion of the commission that the reference in the aforementioned statute "existing laws" pertains to existing state laws and not local zoning laws. Its purpose was to coordinate all of the permits and licenses from all *state* agencies into one procedure; i.e., for the siting and location of a bulk power plant. The issue before the commission is the location of wells to draw water and the need of that water for the utility to provide its services for a regional area. RSA 162-F does not contain any express repeal of RSA 31:62 and hence, the rationale set forth in *Public Service Co. v Lovejoy Granite Co.* (1974) 114 NH 630 is dispositive of the issue.

As to the motion filed on May 17, 1978, "relative to filings and other pending litigation," the commission determines that all of the intervenors' requests have been complied with except for the request that the commission withhold any rulings or orders pending final result of litigation pending in the superior court. In view of our following determinations, we need not resolve this issue at this time.

At the May 2, 1978, hearing, the company produced three witnesses: Bruce B. Beckley, manager of nuclear projects; Anthony J. Stewart, geologist; and Dr. Ward Motts, hydrogeologist. Each of the witnesses testified and were cross-examined by the attorneys for the protestants. In addition, statements were made by Representative Endapearl Parr, William Haskell, Marguerite Fiske, Hartmut Zielke, Hubert Brown, and Roberta Peever.

On May 23, 1978, the company again produced Anthony J. Stewart and Dr. Ward Motts who were further cross-examined by the attorneys for the protestants. The town of Hampton Falls produced two witnesses: John T. Morine, geologist; and Jerome J. Healy, selectman for the town

of Hampton Falls. Each of these witnesses testified and was cross-examined by the attorneys for Public Service.

On May 24, 1978, the company produced Bruce B. Beckley for further cross-examination. On August 15, 1978, the company again produced Mr. Beckley and the town again produced Mr. Healy and Mr. Hubert R. Brown.

At the August 15, 1978, hearing, counsel for the town advised (Tp5-5) that the company and town had reached a settlement of the transmission lines portion of the company's petition. Accordingly, the commission recognizes the town's withdrawal of its objection to that portion of the petition and finds that portion of the petitioner's request approved.

With respect to that portion of the petition relative to whether or not the tunnels for use with Seabrook station which pass through the town of Hampton Falls are subject to the zoning ordinance of the town of Hampton Falls, the commission takes notice of the fact (Tp-11) that the company is unaware as to whether the zoning ordinance has any effect on the location of the tunnels. The company contends that the amendment is offered simply in consideration of the possibility that the ordinance may apply. The record is void of any such contention by the town, and, in fact, town counsel (Tp5-6) testifies that the town will present no evidence either by way of rebuttal or by way of any proceeding with respect to the matter. Accordingly, in the

Page 352

absence of any town opposition, we shall also approve that portion of the petitioner's request.

The real issue relates to wells driven on Public Service Company property in the town of Hampton Falls. The company testified that its original plans for water necessary for the construction of Seabrook station were to develop wells in the town of Seabrook in accordance with a joint plan with the town which would adequately supply both their own needs and the anticipated needs of the town. Subsequent developments disclosed that the town's needs were higher than anticipated, and the company felt compelled to explore alternate sources. Four wells were driven on property owned by the company in Hampton Falls.

During a 48-hour test, these wells produced 260 gallons of water per minute. The wells were connected by a common pipe to the construction site at Seabrook station. The company has never used the wells since, subsequent to their installation, the town of Hampton Falls advised them that their use was in violation of the town's zoning ordinance. A company petition for a variance to that ordinance was denied.

The company testified (Tp3-16) that there were alternative opportunities for transporting water for plant construction. Those alternatives include:

- (1) trucking water to the site from some off-site location.
- (2) using the Hampton Falls wells and continue looking for bed rock water on their own property.
- (3) desalinization of either ocean water, tidal water, or treated effluent from the town of Hampton's municipal treatment plant.
- (4) installing a pipeline from the town of Salisbury, Massachusetts.

The company contends that water costs would be substantially increased by the use of any of these methods and that those higher costs are an unnecessary burden in view of the availability of water from their own wells at Brimmers lane.

Intervenors contend that the costs are insignificant when compared to the total costs of Seabrook station, but that the real danger lies in the possible negative effects that could result to the water systems of existing homeowners in the town of Hampton Falls. They contend that these possible effects include draw-down, salt water intrusion, and encroachment of high iron. They speak to the fact that no tests have yet been performed to prove whether or not those effects may be real, but they speak against allowing any such tests to be performed.

This commission is sensitive to the desires of the town and is particularly sensitive to the water needs of the inhabitants of the town. The commission concurs that acceptable use of the wells at Brimmers lane should be conditioned only upon and after reasonable tests have been made to prevent any negative effect to the town water system.

The commission does not agree, however, with the town's position that no such tests should be made. Just as the commission must be sensitive to the town's needs, we must also be sensitive to the economic impact of unnecessary water expenses — expenses which will ultimately be borne by the ratepayers.

It is our judgment that a decision as to the reasonable need for the use of water at Brimmers lane cannot be made until an assessment of the impact of the use of those wells is made. Reasonable tests must be performed in order to make that judgment.

Accordingly, the commission will

Page 353

direct that the company at its expense make such tests. We will direct that a testing team be developed composed of one representative of Public Service Company, one representative of the town, and one independent expert acceptable to both other parties. This team shall develop a series of tests which shall be made on the Brimmers lane's wells. Those tests shall be incorporated into this record and a further decision will be delayed pending analysis of those results.

Our order will issue accordingly.

Order

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

Ordered, that the motion to dismiss filed on April 27, 1978, by Robert A. Backus be, and hereby is, denied; and it is

Further ordered, that the motion filed on May 17, 1978, be, and hereby is, denied; and it is

Further ordered, that the petitioner is exempt from the operation of the zoning ordinance of the town of Hampton Falls as it applies to the construction and use of the transmission lines; and it is

Further ordered, that the petition is exempt from the operation of the zoning ordinance of the

town of Hampton Falls as it applies to the construction and use of tunnels; and it is

Further ordered, that a testing program be established at the company's expense to evaluate the water supply at Brimmers lane, with the intent to determine whether the use of company wells in the manner proposed by Public Service Company will have a detrimental effect on that water supply; and it is

Further ordered, that such testing program shall be developed, administered, and evaluated by a testing team composed of one representative of the company, one representative of the town, and one independent expert acceptable to both other parties; and it is

Further ordered, that upon conclusion of the testing program, the results and recommendations of the testing team shall be submitted to this commission for further consideration.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of November, 1978.

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NH.PUC*11/28/78*[78193]*63 NH PUC 354*Chichester Telephone Company

[Go to End of 78193]

Re Chichester Telephone Company

DR 78-206, Order No. 13,408

63 NH PUC 354

New Hampshire Public Utilities Commission

November 28, 1978

PETITION for authority to borrow funds to be used to construct an addition to an existing building; granted.

PUBLIC UTILITIES, § 134 — Operation and practices — Finances.

[N.H.] A telephone company was granted authority to borrow funds on a short-term basis to be used to build an addition to its dial house where the company planned to

Page 354

convert the debt to long term when interest rates became more favorable, the commission found that the company could carry the debt without adverse effects, and the construction would benefit the interests of the customers.

APPEARANCES: Richard C. Sanborn and Crandall Wallenstein, C.P.A. for the petitioner.

By the COMMISSION:

Report

On October 30, 1978, Chichester Telephone Company, a telephone public utility authorized to conduct business in the state of New Hampshire, filed with this commission a request to borrow \$37,650 to be used to build an addition to the company's dial house in Chichester, New Hampshire.

At the unopposed hearing held in Concord on November 21, 1978, the petitioner submitted exhibits supporting this request including pro forma balance sheets and operating statements. It is the intent of the petitioner to borrow these funds from the Concord National Bank on a temporary basis (approximately one year) at a rate 1.5 per cent over the First National Bank of Boston's prime rate. When rates become more favorable, the company intends to mortgage this property to the Concord Savings Bank and thereby convert this debt from a short- to a long-term basis.

From the evidence submitted, it appears that the company will be able to carry this additional debt burden without any adverse effects, and we feel that this move will benefit the service and interests of the people served and will be in 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 Chichester Telephone Company be, and hereby is, authorized to borrow \$37,650 to be used to build an addition to the company's dial house in Chichester, New Hampshire; and it is

Further ordered, that on January 1st and July 1st in each year, said Chichester Telephone 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 twenty-eighth day of November, 1978.

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NH.PUC*12/04/78*[78194]*63 NH PUC 355*Franchestown Village Water Company

[Go to End of 78194]

Re Franchestown Village Water Company

DR 78-202, Order No. 13,413

63 NH PUC 355

New Hampshire Public Utilities Commission

December 4, 1978

PETITION for temporary rate relief; granted as modified.

RATES, § 630 — Emergency rates — Generally.

[N.H.] Where a water utility requested temporary rate relief for the duration of its rate proceeding, the commission granted a modified amount finding that, although the process of rebuilding the water system could generate unexpected expense, the company's original request was excessive.

APPEARANCES: Blake Tewksbury and Robert Cutter for the petitioner.

BY THE COMMISSION:

Report

Francetown Village Water Company, a public utility engaged in the business of supplying and distributing water in Francetown, New Hampshire, on October 26, 1978, filed certain revisions to its tariff, NHPUC No. 3 — Water providing for an increase in rates to allow total revenues of \$10,190; and concurrently requested temporary rate relief for the duration of the proceeding. On October 30, 1978, an order of notice was issued scheduling a hearing on the temporary rates at the commission office in Concord for November 15, 1978.

At the uncontested hearing, Blake Tewksbury, a member of the cooperative, presented testimony detailing the rebuilding of its water system and the financing of same. He advised that the Francetown Village Water Company was receiving a grant of \$98,500 and a loan of \$61,500 at 5 per cent interest from the Farmers Home Administration. These funds are to finance the rebuilding program which should be completed in the spring of 1979.

The newly formed, nonprofit cooperative recently acquired the assets of the former Francetown Electric and Water Company (Docket DR 78-97, Order No. 13,254). The company presented a pro forma expense budget to justify its request for revenues of \$10,190. The breakdown was:

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

Operating Revenues	\$10,190
<hr/>	
Operating Expenses:	
Operation and Maintenance	\$ 2,450
Miscellaneous	150
Depreciation	2,000
Contingency Reserve	1,000
Amortization of Organizing Expense	250
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Net Operating Income	\$ 5,850
Interest	4,340
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	\$ 1,265

Although we realize that this utility is in the process of rebuilding its system and such

activity could generate unexpected expense, it is felt the reserves of \$2,265 allowed for such expenses are excessive. The commission feels these should be reduced by \$930. 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 6 of Tariff NHPUC No. 3 — Water, Francestown Village Water Company, previously suspended by commission

Page 356

Order No. 13,380, be, and hereby is, rejected; and it is

Further ordered, that Francestown Village Water Company file Third Revised Page 6, in lieu of Second Revised Page 6, said revision to reflect total annual operating revenues of \$9,260; and it is

Further ordered, that said page become effective with all billings rendered on or after December 1, 1978, to remain in effect until permanent rates are approved by this commission.

By order of the Public Utilities Commission of New Hampshire this fourth day of December, 1978.

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NH.PUC*12/04/78*[78195]*63 NH PUC 357*New Hampshire Department of Public Works and Highways

[Go to End of 78195]

Re New Hampshire Department of Public Works and Highways

DT 78-132, Order No. 13,417

63 NH PUC 357

New Hampshire Public Utilities Commission

December 4, 1978

PETITION for authority to construct highway bridge over railroad tracks; granted.

RAILROADS, § 22 — Construction and equipment — Bridges.

[N.H.] The Department of Public Works and Highways was granted permission to construct an overhead highway bridge over railroad tracks where the proposed clearances were in excess of the legal requirements and all construction and maintenance costs were to be borne by the state with the assistance of federal funds and with no contribution from the railroad except for inspection and engineering purposes.

BY THE COMMISSION:

Order

Whereas, by petition filed July 21, 1978, the New Hampshire Department of Public Works and Highways desires to relocate a portion of US Route 302 and New Hampshire Route 10 in the town of Lisbon, across the tracks of the Boston and Maine Corporation at a point approximately 270 feet south of the location of the present overhead bridge which, because of its condition, must be replaced; and

Whereas, the overhead bridge is also constructed in conjunction with a bridge spanning the Ammonoosic river; and

Whereas, the vertical clearance will be 22 feet 10 inches and the horizontal clearance is 21 feet 6 inches, all of which is in excess of the legal requirements; and

Whereas, all of the construction costs will be borne by the state of New Hampshire with the assistance of federal funds, with no contribution from the railroad except for inspection and engineering purposes; and

Whereas, an agreement has been reached whereby the expenses of

Page 357

maintenance of the bridge subsequent to its construction will be borne by the New Hampshire Department of Public Works and Highways; it is

Ordered, that the New Hampshire Department of Public Works and Highways be, and hereby is, authorized to construct an overhead bridge in accordance with plans on file at the office of the commission marked "D-T78-132"; and it is

Further ordered, that the expense of construction will be borne by the state of New Hampshire Department of Public Works and Highways; and it is

Further ordered, that the expense of maintaining the bridge, together with its abutments shall be borne by the said Department of Public Works and Highways in accordance with letters on file, together with the plan above referred to marked "DT 78-132."

By order of the Public Utilities Commission of New Hampshire this fourth day of December, 1978.

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NH.PUC*12/05/78*[78196]*63 NH PUC 358*Granite State Electric Company

[Go to End of 78196]

Re Granite State Electric Company

DE 78-111, Order No. 13,420

63 NH PUC 358

New Hampshire Public Utilities Commission

December 5, 1978

PETITION for establishment of an electric utility's service territories; granted.

MONOPOLY AND COMPETITION, § 28 — Division of service territories — generally.

[N.H.] Where an amended state statute required that each electric utility apply to the commission for a determination of its service territories which would consist of areas presently served and any other area which the utility believed it was entitled to serve, the commission, following a public hearing at which no one appeared in opposition to an electric company's filing, established as the company's exclusive service areas those shown on numbered service area maps filed with its application.

APPEARANCES: Norman Dobson for the petitioner.

BY THE COMMISSION:

Report

Pursuant to Chap 304 of the 1977 session laws amending RSA 374, effective August 26, 1977, which required that within six months after the effective date of this section, or at such other time as the commission should direct, each electric utility engaged in the distribution and sale of electrical energy in the state shall apply to the commission for service territory, consisting of the distribution areas served by it on the effective date of this section, and any areas not presently served by it, or any other electric utility company, which it believes it is entitled to serve.

RSA 374:22-a II provides that existing franchise areas shall be deemed to be service territories in which an electric utility is presently providing service, provided that no other electric utility is authorized to engage in the distribution of electrical energy within the same franchise area.

Page 358

Granite State Electric Company (hereinafter called the petitioner) a corporation duly organized and existing under the laws of the state of New Hampshire and operating as a public utility engaged in the distribution and sale of electric energy in said state, has started compliance on a commission directed schedule by filing two maps defining those cities, towns, and unincorporated places which it represents that on August 26, 1977, it was, and currently still is, holder of an exclusive franchise to provide electric service.

Earlier authorizations by this commission show the petitioner to have an exclusive franchise to provide electric service in the two cities, towns, and unincorporated places covered by this

application.

The application has been timely made under the extension granted by commission Order No. 13,066.

A public hearing, duly noticed, was held on this matter at the commission offices in Concord, New Hampshire, on October 19, 1978, at which time no one appeared in opposition to the company's filing.

In accordance with the provisions of RSA 374:22-a and -b, the commission determines that the entire areas within the respective boundaries of the cities, towns, and unincorporated places, and shown on the correspondingly numbered service territory maps filed with the application, are established as the exclusive service territories of the petitioner as of the date of this report. Our order will issue accordingly.

Order

Based upon the foregoing report, which is made a part hereof; it is

Ordered, that the entire area within the respective boundaries of the cities, towns, and unincorporated places, and shown on the correspondingly numbered service territory maps filed with the application are established as the exclusive service territories of Granite State Electric Company as follows:

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

Salem PUC No. 207
Walpole PUC No. 242

By order of the Public Utilities Commission of New Hampshire this fifth day of December, 1978.

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NH.PUC*12/05/78*[78197]*63 NH PUC 359*Public Service Company of New Hampshire

[Go to End of 78197]

Re Public Service Company of New Hampshire

DE 78-106, Order No. 13,421

63 NH PUC 359

New Hampshire Public Utilities Commission

December 5, 1978

PETITION for establishment of an electric utility's service territories; granted.

MONOPOLY AND COMPETITION, § 28 — Division of service territories — Generally.

[N.H.] Where an amended state statute required that each electric utility apply to the commission for a determination of its service territories which would consist of areas presently served and any other area which the utility believed it was entitled to serve, the commission, following a public hearing at which no one appeared in opposition to an electric company's filing, established as the company's exclusive service areas those shown on numbered service area maps filed with its application.

APPEARANCES: Eugene S. Clark for the petitioner.

BY THE COMMISSION:

Report

Pursuant to Chap 304 of the 1977 session laws amending RSA 374, effective August 26, 1977, which required that within six months after the effective date of that section, or at such other time as the commission should direct each electric utility engaged in the distribution and sale of electrical energy in the state shall apply to the commission for service territory, consisting of the distribution areas served by it on the effective date of this section, and any areas not presently served by it, or any other electric utility company, which it believes it is entitled to serve.

RSA 374:22-a II provides that existing franchise areas shall be deemed to be service territories in which an electric utility is presently providing service, provided that no other electric utility is authorized to engage in the distribution of electrical energy within the same franchise area.

Public Service Company of New Hampshire (hereinafter called the petitioner), a corporation duly organized and existing under the laws of the state of New Hampshire and operating as a public utility engaged in the distribution and sale of electric energy in said state, has started compliance on a commission directed schedule by filing 94 maps defining those cities, towns, and unincorporated places which it represents that on August 26, 1977, it was, and currently still is, the holder of an exclusive franchise to provide electric service.

Earlier authorization by this commission show the petitioner to have an exclusive franchise to provide electric service in the 94 cities, towns, and unincorporated places covered by this application.

The application has been timely made under the extension granted by commission Order No. 13,066.

A public hearing, duly noticed, was held on this matter at the commission offices in Concord, New Hampshire, on October 19, 1978, at which time no one appeared in opposition to the company's filing.

In accordance with the provisions of RSA 374:22-a and -b, the commission determines that the entire areas within the respective boundaries of the cities, towns, and unincorporated places and shown on the correspondingly numbered service territory maps filed with the application are

established as the exclusive service territories of the petition as of the date of this report. Our order will issue accordingly.

Order

Based upon the foregoing report, which is made a part hereof; it is

Ordered, that the entire areas within the respective boundaries of the cities, towns, and unincorporated places and

Page 360

shown on the correspondingly numbered service territory maps filed with the application are established as the exclusive service territories of Public Service Company of New Hampshire as follows:

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

Amherst	PUC No. 7
Antrim	PUC No. 9
Barrington	PUC No. 15
Bedford	PUC No. 20
Bennington	PUC No. 22
Berlin	PUC No. 24
Bradford	PUC No. 28
Brookline	PUC No. 33
Cambridge	PUC No. 34
Carroll	PUC No. 39
Chatham	PUC No. 43
Chesterfield	PUC No. 45
Dalton	PUC No. 57
Deering	PUC No. 61
Dover	PUC No. 66
Dublin	PUC No. 67
Dummer	PUC No. 68
Errol	PUC No. 79
Fitzwilliam	PUC No. 83
Francestown	PUC No. 84
Franconia	PUC No. 85
Gilsum	PUC No. 91
Goffstown	PUC No. 92
Gorham	PUC No. 93
Green's Grant	PUC No. 97
Greenfield	PUC No. 98
Greenville	PUC No. 100
Hancock	PUC No. 107
Harrisville	PUC No. 109
Henniker	PUC No. 113
Hillsboro	PUC No. 115
Hinsdale	PUC No. 116
Hollis	PUC No. 118
Hooksett	PUC No. 119
Hudson	PUC No. 121
Jaffrey	PUC No. 123
Jefferson	PUC No. 124
Keene	PUC No. 125
Lancaster	PUC No. 130
Litchfield	PUC No. 138
Lyndeborough	PUC No. 146
Madbury	PUC No. 147
Manchester	PUC No. 149
Marlborough	PUC No. 150
Martin's Location	PUC No. 152
Mason	PUC No. 153
Merrimack	PUC No. 155

Middleton	PUC No. 156
Milan	PUC No. 157
Milford	PUC No. 158
Millsfield	PUC No. 159
Milton	PUC No. 160
Mont Vernon	PUC No. 162
Nashua	PUC No. 164
Nelson	PUC No. 165
New Boston	PUC No. 166
Newbury	PUC No. 167
New Castle	PUC No. 168
Newfields	PUC No. 170
Newington	PUC No. 172
New Ipswich	PUC No. 173
New London	PUC No. 174
Newmarket	PUC No. 175
Northumberland	PUC No. 180
Peterborough	PUC No. 189
Pinkham's Grant	PUC No. 191
Portsmouth	PUC No. 197
Randolph	PUC No. 198
Richmond	PUC No. 200
Rindge	PUC No. 201
Rochester	PUC No. 202
Rollinsford	PUC No. 203
Roxbury	PUC No. 204
Rye	PUC No. 206
Sharon	PUC No. 215
Shelburne	PUC No. 216
Somersworth	PUC No. 217
Stark	PUC No. 220
Stoddard	PUC No. 222
Strafford	PUC No. 223
Startford	PUC No. 224
Sullivan	PUC No. 228
Swanzey	PUC No. 232
Temple	PUC No. 234
Tilton	PUC No. 237
Troy	PUC No. 238
Warner	PUC No. 243
Weare	PUC No. 247
Wentworth's Location	PUC No. 250
Westmoreland	PUC No. 251
Whitefield	PUC No. 252
Wilton	PUC No. 254
Winchester	PUC No. 255
Windsor	PUC No. 257

By order of the Public Utilities Commission of New Hampshire this fifth day of December, 1978.

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NH.PUC*12/05/78*[78198]*63 NH PUC 362*New Hampshire Electric Cooperative, Inc.

[Go to End of 78198]

Re New Hampshire Electric Cooperative, Inc.

DE 78-105, Order No. 13,422

63 NH PUC 362

New Hampshire Public Utilities Commission

December 5, 1978

PETITION for establishment of an electric utility's service territories; granted.

MONOPOLY AND COMPETITION, § 28 — Division of service territories — Generally.

[N.H.] Where an amended state statute required that each electric utility apply to the commission for a determination of its service territories which would consist of areas presently served and any other area which the utility believed it was entitled to serve, the commission, following a public hearing at which no one appeared in opposition to an electric company's filing, established as the company's exclusive service areas those shown on numbered service area maps filed with its application.

APPEARANCES: Charles E. Swanson for the petitioner.

BY THE COMMISSION:

Report

Pursuant to Chap 304 of the 1977 session laws amending RSA 374, effective August 26, 1977, which requires that within six months after the effective date of this section, or at such other time as the commission should direct, each electric utility engaged in the distribution and sale of electrical energy in the state shall apply to the commission for service territory, consisting of the distribution areas served by it on the effective date of this section, and any areas not presently served by it, or any other electric utility company, which it believes it is entitled to serve.

RSA 374:22-a II provides that existing franchise areas shall be deemed to be service territories in which an electric utility is presently providing service, provided that no other electric utility is authorized to engage in the distribution of electrical energy within the same franchise area.

New Hampshire Electric Cooperative, Inc. (hereinafter called the petitioner) a corporation duly organized and existing under the laws of the state of New Hampshire and operating as a public utility engaged in the distribution and sale of electric energy in said state, has started compliance on a commission directed schedule by filing 15 maps defining those cities, towns, and unincorporated places which it represents that on August 25, 1978, it was, and currently still is, the holder of an exclusive franchise to provide electric service.

Earlier authorizations by this commission show the petitioner to have an exclusive franchise to provide electric service in the 15 cities, towns, and unincorporated places covered by this application.

Such application has been timely made under the extension granted by commission Order No. 13,066.

A public hearing, duly noticed, was held on this matter at the commission offices in Concord, New Hampshire, on October 19, 1978, at which time no one appeared in opposition to the

company's filing.

In accordance with the provisions of RSA 374:22-a and -b, the commission

Page 362

determines that the entire areas within the respective boundaries of the cities, towns, and unincorporated places, and shown on the correspondingly numbered service territory maps filed with the application, are established as the exclusive service territories of the petitioner as of the date of this report. Our order will issue accordingly.

Order

Based upon the foregoing report, which is made a part hereof; it is

Ordered, that the entire area within the respective boundaries of the cities, towns, and unincorporated places, and shown on the correspondingly numbered service territory maps filed with the application are established as the exclusive service territories of New Hampshire Electric Cooperative, Inc., as follows:

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

Bartlett	PUC No. 16
Benton	PUC No. 23
Center Harbor	PUC No. 40
Dorchester	PUC No. 65
Ellsworth	PUC No. 75
Groton	PUC No. 101
Harts Location	PUC No. 110
Holderness	PUC No. 117
Jackson	PUC No. 122
Moultonboro	PUC No. 163
Plymouth	PUC No. 198
Rumney	PUC No. 205
Warren	PUC No. 244
Wentworth	PUC No. 249
Woodstock	PUC No. 259

By order of the Public Utilities Commission of New Hampshire this fifth day of December, 1978.

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NH.PUC*12/05/78*[78199]*63 NH PUC 363*Exeter and Hampton Electric Company

[Go to End of 78199]

Re Exeter and Hampton Electric Company

DE 78-112, Order No. 13,423

63 NH PUC 363

New Hampshire Public Utilities Commission

December 5, 1978

PETITION for establishment of an electric utility's service territories; granted.

MONOPOLY AND COMPETITION, § 28 — Division of service territories — Generally.

[N.H.] Where an amended state statute required that each electric utility apply to the commission for a determination of its service territories which would consist of areas presently served and any other area which the utility believed it was entitled to serve, the commission, following public hearing at which no one appeared in opposition to an electric company's filing, established as the company's exclusive service areas those shown on numbered service area maps filed with its application.

APPEARANCES: Stewart Aither for the petitioner.

BY THE COMMISSION:

Report

Pursuant to Chap 304 of the 1977 session laws amending RSA 374, effective August 26, 1977, which required that within six months after the effective date of this section, or at such other time as the commission should direct, each

Page 363

electric utility engaged in the distribution and sale of electrical energy in the state shall apply to the commission for service territory, consisting of the distribution areas served by it on the effective date of this section, and any areas not presently served by it, or any other electric utility company, which it believes it is entitled to serve.

RSA 374:22-a II provides that existing franchise areas shall be deemed to be service territories in which an electric utility is presently providing service, provided that no other electric utility is authorized to engage in the distribution of electrical energy within the same franchise area.

Exeter and Hampton Electric Company (hereinafter called the petitioner) a corporation duly organized and existing under the laws of the state of New Hampshire and operating as a public utility engaged in the distribution and sale of electric energy in said state, has started compliance on a commission directed schedule by filing seven maps defining those cities, towns, and unincorporated places which it represents that on August 26, 1977, it was, and currently still is, the holder of an exclusive franchise to provide electric service.

Earlier authorizations by this commission show the petitioner to have an exclusive franchise to provide electric service in the seven cities, towns, and unincorporated places covered by this application.

The application has been timely made under the extension granted by commission Order No. 13,066.

A public hearing, duly noticed, was held on this matter at the commission offices in Concord, New Hampshire, on October 19, 1978, at which time no one appeared in opposition to the

company's filing.

In accordance with the provisions of RSA 374:22-a and -b, the commission determines that the entire areas within the respective boundaries of the cities, towns, and unincorporated places, and shown on the correspondingly numbered service territory maps filed with the application, are established as the exclusive service territories of the petitioner as of the date of this report. Our order will issue accordingly.

Order

Based upon the foregoing report, which is made a part hereof; it is

Ordered, that the entire area within the respective boundaries of the cities, towns, and unincorporated places, and shown on the correspondingly numbered service territory maps filed with the application are established as the exclusive service territories of Exeter and Hampton Electric Company as follows:

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

East Kingston	PUC No. 71
Hampton Falls	PUC No. 106
Kensington	PUC No. 126
Newton	PUC No. 177
Plaistow	PUC No. 195
Seabrook	PUC No. 213
South Hampton	PUC No. 218

By order of the Public Utilities Commission of New Hampshire this fifth day of December, 1978.

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NH.PUC*12/06/78*[78200]*63 NH PUC 365*Connecticut Light and Power Company

[Go to End of 78200]

Re Connecticut Light and Power Company

DSF6205, Order No. 13,424

63 NH PUC 365

New Hampshire Public Utilities Commission

December 6, 1978

APPLICATION for permission to transfer undivided interest in a nuclear power plant; granted.

CONSOLIDATION, MERGER, AND SALE, § 52 — Terms and conditions — Sale price.

[N.H.] The commission permitted an electric company to transfer its undivided interest in a nuclear power plant where the consideration received by the company would be an amount equal to the costs actually paid or accrued by the company as of the date of the sale including an allowance for funds used during construction.

APPEARANCES: Sulloway Hollis Godfrey & Soden by Joseph S. Ransmeier for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed with the commission September 12, 1978, Connecticut Light and Power Company, a Connecticut electric utility (the "company"), seeks authority to sell and transfer its entire ownership participation in the so-called Seabrook Station project in varying proportions to a number of nonresident purchasing utilities. Pursuant to notice duly given in accordance with the commission's order dated September 18, 1978, hearing was held on the matter at the offices of the commission on November 2, 1978.

The Seabrook Station project is a nuclear generating station which is being constructed at Seabrook, New Hampshire, by Public Service Company of New Hampshire as a domestic electric utility company in association with a number of nonresident electric utilities, including CL&P, pursuant to RSA 374A. CL&P seeks authority for the transfer of its participation pursuant to the provisions of RSA 374:30.

At the hearing witnesses for the company testified that the Seabrook project is being constructed pursuant to an "agreement for joint ownership, construction, and operation of New Hampshire nuclear units" dated May 1, 1973, as amended, among the various participants in the project, and that under the agreement the undivided ownership interest of CL&P in the project, including all associated property and rights of every sort, is 11.9776 per cent. Copy of the agreement was duly entered into the record.

The company witnesses further testified that it was the company's wish to transfer its entire Seabrook interest to various nonresident purchasing utilities as set forth in Table I, subject, however, to the right of Massachusetts Municipal Wholesale Electric Company and Hudson Light and Power Department of the town of Hudson, Massachusetts, to elect to acquire up to 0.04091 per cent of the project as "additional participants" pursuant to Par 3 of the agreement, with the burden of such participation by them to be ratably assessed against the shares otherwise to be transferred as shown in

Page 365

Table I. Witnesses for the company testified that in negotiating for the transfers proposed to be made as shown in Table I, the company had complied with all applicable conditions precedent of the Seabrook agreement.

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

TABLE I
PROPOSED TRANSFER OF CL&P PERCENTAGE
PARTICIPATION IN SEABROOK PROJECT

Transferee
Bangor Hydro-Electric Company
Fitchburgh Gas and Electric Light Co.
Maine Public Service Company

Massachusetts Municipal Wholesale Electric Co.
 Montaup Electric Co.
 New Bedford Gas and Edison Light Co.
 City of Taunton, Ma. Municipal Lighting Plant
 Vermont Electric Cooperative, Inc.

*Transfers are subject to Par 3 of Seabrook agreement under which Massachusetts Municipal Wholesale Electric Company and the town of Hudson through its Light and Power Department are entitled to acquire from Connecticut Light and Power Company up to 0.04091 per cent participation in the project.

Copies of agreements entered into between the company and each of the intended purchasers defining the terms of the proposed transfer to each purchaser were also submitted at the hearing. These agreements provide that the consideration to be paid to the company by each purchaser for the share of the CL&P participation to be transferred to it is to be an amount equal to the costs actually paid or accrued by CL&P, as of the date of sale, with respect to the interest to be transferred, including the allowance for funds used during construction associated with the investment involved. Table II following shows the estimated amounts to be received by the company from the several purchasers, assuming the transfers are all consummated as of December 31, 1978.

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

TABLE II
 ESTIMATED PROCEEDS FROM
 PROPOSED TRANSFER OF THE CONNECTICUT LIGHT
 AND POWER COMPANY'S ENTITLEMENT IN
 SEABROOK UNIT NOS. 1 AND 2
 AS OF DECEMBER 31, 1978

Transferee
 Bangor Hydro-Electric Company
 Fitchburg Gas and Electric Light Company
 Maine Public Service Company
 Massachusetts Municipal Wholesale Electric Company
 Montaup Electric Company
 New Bedford Gas and Edison Light Company
 Taunton Municipal Lighting Plant
 Vermont Electric Cooperative, Inc.

Total

Leonard A. O'Connor, vice-president and treasurer of CL&P, who was a witness for the company, testified that in discharging the responsibilities of his office in planning for disposition of the company's Seabrook participation, he had had occasion to become familiar with the financial condition of each of the several proposed transferees, and that in his judgement they have, as a group, financial ability to meet the responsibilities of participation under the Seabrook

agreement which is substantially as satisfactory as that of the company. Evidence with respect to the financial status of each purchaser as well as of CL&P was submitted in the form of the annual financial reports of each of them for at least the last three years in every case, and in most cases for the past five years.

The commission takes notice that each intending purchaser of a portion of the CL&P participation has duly heretofore filed with the commission notification pursuant to RSA 374-A:7I of its intention to become a Seabrook participant.

Based upon the foregoing testimony as well as the entire record in this proceeding, including the extensive exhibits submitted in support of the application, the commission finds that the proposed transfer of CL&P's undivided interest in the Seabrook Station project from CL&P to the several proposed purchasing electric utilities, upon the terms proposed for the said transfers will be for the public good, and that it is just and reasonable and in accordance with the provisions of RSA 374:30 as well as all other applicable provisions of New Hampshire law that the said transfer and sale, upon the terms proposed, from CL&P and to each of the said purchasing utilities as well as the acquisition of the said CL&P participating in the shares proposed by the said purchasing utilities should be approved. Our order will therefore issue accordingly.

Order

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

Ordered, that the application of Connecticut Light and Power Company, a Connecticut corporation, to sell and transfer its entire undivided ownership interest in the so-called Seabrook station project, consisting of 11.9776 per cent of the entire ownership interest in the said project including all associated property and contract rights of every sort, to a group of nonresident electric utilities in varying amounts and proportions as between them as set forth in the various agreements filed in this docket and the terms therein stated are hereby approved; and it is

Further ordered, that the said transfer and sale from CL& P of its Seabrook participation to the several said purchasers as well as the purchase and acquisition of the said participation in the shares and proportions stated as between them by the said purchasers upon the terms proposed are hereby authorized in accordance with the authority vested in this commission under RSA 374:30, provided, however, that prior to completion of a transfer to any transferee, as authorized hereunder, the transferee must first have duly qualified as a foreign corporation doing business in New Hampshire and consent to service of process pursuant to RSA 300, consistently with the requirements of RSA 374-A:7II.

By order of the Public Utilities Commission of New Hampshire this sixth day of December, 1978.

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NH.PUC*12/11/78*[78201]*63 NH PUC 368*City of Portsmouth

[Go to End of 78201]

Re City of Portsmouth

I-E14,813, Order No. 13,428

63 NH PUC 368

New Hampshire Public Utilities Commission

December 11, 1978

ORDER approving water service agreement between two municipalities.

SERVICE, § 154 — Applications and contracts — Filing and approval of contract.

[N.H.] The commission approved an agreement whereby a municipality would continue to furnish water at existing wholesale rates to a neighboring town through existing system interconnections where the agreement appeared to be in the public interest.

BY THE COMMISSION:

Order

Whereas, the city of Portsmouth filed with this commission a petition dated October 31, 1978, by which it proposed that said city through its water works would continue to furnish water at existing wholesale rates to the Rye water district on Wentworth House road in the town of Rye; and

Whereas, the nature of the existing systems' interconnection permits a mutual aid capability in those areas in the district can now service independently; and

Whereas, such agreement appears to be in the public interest; it is

Ordered, that said agreement between the city of Portsmouth and the Rye water district be, and hereby is, approved.

By order of the Public Utilities Commission of New Hampshire this eleventh day of December, 1978.

=====

NH.PUC*12/11/78*[78202]*63 NH PUC 368*Municipal Water Department of Woodsville

[Go to End of 78202]

Re Municipal Water Department of Woodsville

DR 78-167, Order No. 13,429

63 NH PUC 368

New Hampshire Public Utilities Commission

December 11, 1978

PETITION for an increase in rates; granted as modified.

EXPENSES, § 33 — Treatment of particular expenses — Capital amortization.

[N.H.] The commission disagreed with a water company's accounting treatment of certain purification equipment and related engineering charges, since that treatment created a distorted income statement heavily weighted with expense and ordered amortization of the engineering charges over a five-year period and capitalization and depreciation of the cost of the purification equipment over a 20-year period.

Page 368

APPEARANCES: Lorrin M. Pittendreigh and Michael V. Roy for the petitioner; J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

On August 18, 1978, the Municipal Water Department of Woodsville, a water public utility authorized to conduct business in the state of New Hampshire, filed with this commission certain revisions of its tariff, NHPUC No. 2 — Water, providing for an increase in rates (\$28,438 — 83.7 per cent), effective October 1, 1978. The tariff as proposed was suspended by the commission on August 30, 1978, pending further investigation.

At the hearing held in Concord on November 20, 1978, the petitioner submitted exhibits including an operating statement for the years 1975, 1976, and 1977, accompanying notes and a statement of need.

From testimony brought forth during the hearing, it became evident that the accounting treatment given to certain engineering charges and purification equipment has created a distorted income statement weighted heavily with expense for the year 1977.

It is the recommendation of staff, and one in which we agree, that the two engineering bills in the amounts of \$6,050 and \$4,435 that were expensed during the year 1977 should have been amortized over a five-year period. Also the purification equipment of \$4,500 also expensed during the year 1977 should have been capitalized and depreciated over a 20-year period. After adjusting the expense accounts incorporating the above three changes, the revenue deductions are reduced from the reported \$55,845 to \$43,182. Thereby reducing the net operating loss for the year to \$8,586.

In recent years, this utility has experienced pressures to upgrade the quality of the water that is being provided to their customers and as an initial step, the utility has purchased and placed in operation a piece of purification equipment. The New Hampshire Water Supply and Pollution Control Commission has indicated that covers be installed over the two existing open reservoirs

and the cost of accomplishing this has been determined to be between \$500,000 — \$600,000. In trying to comply with the required improvements, the utility has retained the services of an engineering consultant who has submitted recommendations which so far have proved to be beyond the borrowing capacity of the utility. The New Hampshire Water Supply and Pollution Control Commission now requires the utility to undertake a test well investigation seeking a ground water supply. The engineering costs associated with this investigation are estimated to be about \$20,000 and if results from these tests are favorable, it is estimated that the cost of developing this new source would be in the range of \$200,000.

The petitioner indicated that an ongoing effort is being conducted to obtain grants and/or funds from the FHA or other federal programs which will cover the costs of the required improvements.

In conclusion, it is obvious that this utility is in need of rate relief, however, we do not feel that the amount requested in the petition is justified. We do feel that the water utility is entitled to earn a rate of return which will allow them to meet their pro rata share of interest charges on the outstanding long-term debt. This figure is determined to be \$2,160 or 40

Page 369

per cent of the \$5,400 interest charge due in the year 1978. In addition, we feel that a 5 per cent return on the adjusted surplus applicable to the water utility is in order. This results in an allowed rate of return on equity of \$9,987.

The overall effect of these adjustments indicates that the utility has an additional revenue requirement of \$20,733 which should allow them a net operating revenue of \$12,147. Implementation of this increase should correct the situation as it now exists and should 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 First Revised Pages 9 and 11 of tariff NHPUC No. 2 — Water, Municipal Water Department of Woodsville, New Hampshire, previously suspended by commission Order No. 13,307, be, and hereby are, rejected; and it is

Further ordered, that the Municipal Water Department of Woodsville file Second Revised Pages 9, 11, in lieu of First Revised Pages 9, 11, said revision to reflect additional annual operating revenues of \$20,733; and it is

Further ordered, that said pages become effective with all services rendered on or after January 1, 1979.

By order of the Public Utilities Commission of New Hampshire this eleventh day of December, 1978.

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NH.PUC*12/13/78*[78203]*63 NH PUC 370*Municipal Electric Department of Woodsville

[Go to End of 78203]

Re Municipal Electric Department of Woodsville

I-R14,805, Order No. 13,431

63 NH PUC 370

New Hampshire Public Utilities Commission

December 13, 1978

PETITION of municipal electric providing for restrictions to its domestic electric house heating rate; granted; suspension order lifted.

BY THE COMMISSION:

Order

Whereas, the Municipal Electric Department of Woodsville, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on September 8, 1978, filed with this commission certain revisions of its tariff, NHPUC No. 3 — Electricity, providing for restrictions on, and the eventual deletion of, its Domestic Electric House Heating Rate "AH", filed for effect October 1, 1978; and

Whereas, commission Order No. 13,327 suspended said filing pending investigation and decision thereon; and

Whereas, said investigation is now completed, resulting in the decision that

Page 370

the change is proper and in the public good; it is

Ordered, that suspension of First Revised page 14 of tariff, NHPUC No. 3 — Electricity, of the Municipal Electric Department of Woodsville be, and hereby is, removed, and the tariff page allowed to become effective as of the date of this order.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of December, 1978.

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NH.PUC*12/13/78*[78204]*63 NH PUC 371*New Hampshire Department of Public Works and Highways

[Go to End of 78204]

Re New Hampshire Department of Public Works and Highways

DT 78-222, Order No. 13,433

63 NH PUC 371

New Hampshire Public Utilities Commission

December 13, 1978

PETITION for authority to reconstruct railroad crossings and replace protection devices; granted.

CROSSINGS, § 61 — Reconstruction or alteration.

[N.H.] The commission authorized the Department of Public Works and Highways to reconstruct certain railroad crossings and replace signals and crossbuck signs pursuant to the Highway Safety Act of 1973 authorizing the use of federal funds to improve and protect highway railroad grade crossings.

BY THE COMMISSION:

Order

Whereas, pursuant to the federal Highway Safety Act of 1973, §§ 203 and 230, authorizing the use of federal funds to improve and protect highway railroad grade crossings; and

Whereas, the New Hampshire Department of Public Works and Highways desires to reconstruct railroad crossings and replace existing protection devices at 11 railroad crossings located in the state of New Hampshire; and

Whereas, the commission is of the opinion that the proposed changes are required and consistent with the interests of public safety; it is

Ordered, that the New Hampshire Department of Public Works and Highways be, and hereby is, authorized to reconstruct crossings and replace crossing signals and crossbuck signs at the following crossings.

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

City of Manchester

<i>Location</i>	<i>AAR-DOT</i>	<i>Construction</i>
Page Street	845 756 Z	Reconstruct crossing and replace automatic signals
Lincoln Street	860 943 G	Reconstruct crossing and replace crossbuck signs
Silver Street	860 944 N	Reconstruct crossing and replace crossbuck signs
Tarrytown Road	845 758 A	Reconstruct crossing and replace crossbuck signs
<i>Town of Exeter</i>		
Salem Street	53 092 L	Reconstruct crossing and replace signals and gates
<i>Town of Whitefield</i>		
Airport Road	53 694 C	Reconstruct crossing and replace crossbuck signs
<i>Town of Greenland</i>		
Route 101	54 415 H	Reconstruct crossing and replace automatic signals
<i>Town of Jefferson</i>		
Cherry Mtn. Road	53 695 J	Replace automatic signals
<i>City of Somersworth</i>		

Route 9	54 207 G	Reconstruct crossing and replace automatic signals
<i>Town of Goffstown</i>		
Route 114	884 244 R	Reconstruct crossing and replace crossbuck signs
Route 114	884 249 A	Reconstruct crossing and replace crossbuck signs

and it is

Further ordered, that the cost of the changes authorized herein shall be borne by the New Hampshire Department of Public Works and Highways.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of December, 1978.

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NH.PUC*12/18/78*[78205]*63 NH PUC 372*Hudson Water Company

[Go to End of 78205]

Re Hudson Water Company

DR 78-135, Order No. 13,438

63 NH PUC 372

New Hampshire Public Utilities Commission

December 18, 1978

PETITION for authority to have existing rates made temporary rates; granted.

RATES, § 630 — Emergency rates — Generally.

[N.H.] Where a water company's earnings rate was below the rate of return authorized in the company's previous rate case, the commission granted a petition requesting authority to have the existing rates become temporary rates.

APPEARANCES: Stephen Selden for the petitioner; Harold Judd for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

These proceedings were initiated when Hudson Water Company, a New Hampshire corporation operating as a

public utility in New Hampshire, filed revisions to its tariff, NHPUC No. 7 — Water, providing for an increase in its estimated annual revenues from \$637,688 to \$865,235, or an increase of \$227,547. The commission suspended the proposed rate increase by Order No. 13,277, dated August 14, 1978.

On October 13, 1978, the company submitted a petition requesting the commission to prescribe its presently effective rates as temporary rates to be retroactive to August 18, 1978.

A duly noticed hearing on temporary rates was held at the commission office on November 14, 1978, at 10:00 A.M. Evidence submitted by the company to the commission and sworn to at public hearings held at the commission office on December 5, 1978, and December 6, 1978, clearly indicate that the current earnings rate is below the rate of return authorized by this commission in the previous rate case (1976).

Accordingly, the commission will allow the company to place its presently effective rates into effect as temporary rates, effective with all current billings rendered on or after the date of the attached order. Our order will issue accordingly.

Order

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

Ordered, that the present rates and charges set forth in Hudson Water Company tariff, NHPUC No. 7 — Water, may, and hereby are, permitted to become effective as temporary rates on all bills rendered on or after the date of this order; and it is

Further ordered, that Hudson Water Company give public notice of this order 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 eighteenth day of December, 1978.

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NH.PUC*12/18/78*[78206]*63 NH PUC 373*Manchester Gas Company

[Go to End of 78206]

Re Manchester Gas Company

DR 78-100, Order No. 13,439

63 NH PUC 373

New Hampshire Public Utilities Commission

December 18, 1978

PETITION for an increase in rates; temporary rate status granted.

RATES, § 630 — Emergency rates — Generally.

[N.H.] The commission granted a gas company's request that its presently effective rates be made temporary rates following suspension of the company's proposed rate increase.

APPEARANCES: Peter Guenther for the petitioner; Harold Judd and J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Page 373

Report

On June 15, 1978, the Manchester Gas Company, a duly organized New Hampshire corporation, with its principal place of business in Manchester, New Hampshire, operating in the city of Manchester and in the towns of Goffstown, Hooksett, and Bedford, New Hampshire, filed a proposed revision to the company's tariff, NHPUC No. 12 — Gas, to become effective July 15, 1978. The proposed increase was designed to increase annual revenues by approximately \$557,752.

The proposed increase in rates was suspended until further order of the commission by virtue of Order No. 13,201, dated June 26, 1978.

On November 17, 1978, a petition for temporary rates was filed. Also on November 17, 1978, an order of notice was issued scheduling a public hearing on the temporary rates for November 28, 1978, at the commission offices.

The company represents that under its present rates it is receiving a rate of return of 8.18 per cent, on its rate base for the year ended January 31, 1978, contrasted with the rate of return of 9.7 per cent (exclusive of the 0.2 per cent allowance for attrition) allowed by the commission in Order No. 12,297, dated June 10, 1976.

The company's petition for temporary rates requested that the commission prescribe its presently effective rates as temporary rates retroactive to July 15, 1975. At the hearing, the company suggested as an alternative or amendment that the commission allow the filed rates to become the temporary rates.

We disagree with the concept of retroactive rate-making and do not interpret RSA 378:27 as giving the commission the authority to allow retroactive rate increases beyond one billing cycle. We will, therefore, allow the temporary rates to become effective for all customer billings rendered on or after the effective date of the attached order. Our order will issue accordingly.

Order

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

Ordered, that the present rates and charges set forth in Manchester Gas Company tariff, NHPUC No. 12, may, and hereby are, permitted to become effective as temporary rates on all bills rendered on or after the date of this order; and it is

Further ordered, that Manchester Gas Company give public notice of this order 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 eighteenth day of December, 1978.

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NH.PUC*12/19/78*[78207]*63 NH PUC 375*Martin Nolan

[Go to End of 78207]

Re Martin Nolan

DT 78-172, Supplemental Order No. 13,441

63 NH PUC 375

New Hampshire Public Utilities Commission

December 19, 1978

APPLICATION for authority to operate as an irregular route common carrier of property by motor vehicle; granted.

CERTIFICATES, § 76 — Grant of certificate — Factors affecting grant — Generally.

[N.H.] A rubbish transporter, which had been granted a temporary property carrier certificate of public convenience and necessity, was authorized to operate as a common carrier on a permanent basis where, after public notice, no protest to the permanent operation was received.

BY THE COMMISSION:

Supplemental Order

Property Carrier Certificate of Public Convenience and Necessity No. 495

Whereas, Martin Nolan was issued Temporary Property Carrier Certificate of Public Convenience and Necessity No. 13 authorizing operations as an irregular route common carrier transporting rubbish between points and places in New Hampshire; and

Whereas, after public notice, no protest was received to the permanent operation over the described route; it is

Ordered, that Martin Nolan be, and hereby is, authorized to engage in operations as a common carrier of property by motor vehicle as follows:

Transportation of rubbish by motor vehicle between all points and places in Winchester and Richmond, New Hampshire; and it is

Further ordered, that such authority is granted on a permanent basis; and it is

Further ordered, that said operations shall comply with the provisions of RSA 375-B and the rules and regulations prescribed by the public utilities commission pursuant thereto.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of December, 1978.

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NH.PUC*12/19/78*[78208]*63 NH PUC 375*Waterville Estates Water Works, Inc. et al

[Go to End of 78208]

Re Waterville Estates Water Works, Inc. et al

DE 78-149, Order No. 13,442

63 NH PUC 375

New Hampshire Public Utilities Commission

December 19, 1978

PETITIONS for authority to discontinue operations as a public utility and for authority to commence operations as a public utility and accept transfer of assets; granted.

Page 375

PUBLIC UTILITIES, § 4 — Termination of public utility status — Disposal of property.

[N.H.] A water company which had been experiencing financial difficulty was granted permission to transfer its franchise and assets where the transferee company indicated that although it would replace the present tariff, it would continue the existing rates and take assignment of a special service contract.

APPEARANCES: Charles A. DeGrandpre and Michael Bagley for the petitioners; Dom S. D'Ambruoso, special counsel for the commission.

BY THE COMMISSION:

Report

By petition filed August 14, 1978, Waterville Estates Water Works, Inc. of Campton, New Hampshire seeks authority under RSA 374:28 to discontinue operations as a public water utility and to transfer its assets under RSA 374:30 to the Winter Brook Water Company, Inc. By concurrent petitions, the Winter Brook Water Company seeks authority to commence operations as a public water utility and to purchase the referenced assets. A duly noticed hearing was held at

the office of the commission on October 2, 1978, at 10:00 A.M.

The Waterville Estates Water Works, Inc. is a wholly owned subsidiary of the Locke Waterville Corporation, the former designed to operate as a water utility to support extensive real estate development by the latter. Because of financial difficulties, testimony indicated the Locke Waterville Corporation and foreclosing bank(s) were desirous of transferring all water company franchise and assets to the Winter Brook Water Company, Inc., a wholly owned subsidiary of the Waterville Estates Association. Because of the fact that the Locke Waterville development did not reach its planned size, certain reductions in the franchise area were proposed as specified by Exh D to the Winter Brook petition. Testimony revealed the revised franchise area includes all present customers and was coterminous with a recently approved highway precinct area.

Testimony also revealed the existence of Special Contract No. 1 between Waterville Estates Water Works and the association of owners of Hodgman Hill which had been approved by commission Order No. 11,357, dated April 2, 1974. Witness Wood testified that the Winter Brook Water Company would take assignment of the contract or rewrite the contract as appropriate. He also indicated the existing tariff would be replaced, but would continue the existing rates.

Based upon facts presented in this case, it appears that the discontinuance of Waterville Estates Water Works, Inc. as a public water utility and the establishment of the Winter Brook Water Company, Inc. are in the public good. Our order will issue accordingly.

Order

Based upon the foregoing report, which is made a part hereof; it is

Ordered, that the Waterville Estates Water Works, Inc. be, and hereby is, authorized to permanently discontinue operations as a public water utility in the Waterville Estates area of Campton and Thornton, New Hampshire; and it is

Further ordered, that said company be and hereby is authorized to transfer its assets as shown in Exh A to the petition to the Winter Brook Water Company, Inc.; and it is

Further ordered, that the Winter

Page 376

Brook Water Company be, and hereby is authorized to operate as a public water utility in the area of Campton and Thornton, New Hampshire, bounded and described as follows:

Beginning at an iron pipe on the northeast side of the Winter Brook road at the corner of land of the Campton Village precinct, thence north 62 degrees, 34 minutes, 33 seconds east 1,345.51 feet to an iron pipe set in the ground; thence northwesterly by land of the Campton Village precinct 800 feet, more or less, to a stone bound; thence north 20 degrees, 12 minutes, 52 seconds east 1,215.24 feet to a wooden post set in the ground; thence south 73 degrees, 04 minutes, 38 seconds east 256.98 feet to a stake and stones; thence north 21 degrees, 18 minutes, 12 seconds east 643.88 feet to a corner post; thence north 15 degrees, 52 minutes, 21 seconds east 3,434.45 feet to an iron pipe set in the ground; thence southwesterly by land of Waterville

Estates a distance of about 250 feet; thence north 42 degrees, 22 minutes, 49 seconds west 258.26 feet to the Thornton-Campton town line; thence north 69 degrees, 55 minutes, 47 seconds west 415.67 feet; thence north 34 degrees, 31 minutes, 08 seconds east 335.65 feet; thence northerly and northwesterly by land now or formerly of Lloyd Butler to the Mad river; thence following the Mad river in a meandering northeasterly direction to an iron pipe and post on the south bank of said river at the corner of land of Andrew Robertson; thence south 3 degrees, 29 minutes, 26 seconds west 1,700 feet, more or less, by land of said Robertson and along a blazed line to a post and stones; thence south 85 degrees, 09 minutes, 03 seconds east 2,350 feet; more or less, by land of said Robertson along a blazed line and crossing Goose Hollow road to a wooden post on the east side of Goose Hollow road; thence south 10 degrees, 23 minutes, 53 seconds west 922.75 feet to an iron pipe set in the ground; thence south seven degrees, 33 minutes, 38 seconds west 944.11 feet to a stone bound on the Thornton-Campton town line; thence south 81 degrees, 21 minutes, 17 seconds east along said town line a distance of 998.72 feet; thence south 16 degrees, 47 minutes, 49 seconds west 5,335.36 feet by land of the White Mountain National Forest to a stone post set in the ground; thence north 82 degrees, 13 minutes, 36 seconds west 761.54 feet to a stone post set in the ground; thence south 16 degrees, 35 minutes, 29 seconds west a distance of 2,650.77 feet; thence north 83 degrees, 18 minutes, 46 seconds west 2,796.78 feet to an iron pipe set in the ground; thence north 23 degrees, 26 minutes, 39 seconds west 453.39 feet to an iron pipe set in the ground; south 84 degrees, 57 minutes, 47 seconds west 199.58 feet to an iron pipe set in the ground; thence north 19 degrees, 53 minutes, 01 seconds east 165.72 feet to an iron pipe on the bank of Winter brook; thence following Winter Brook road; in a meandering westerly direction to a culvert at Winter Brook road; thence running along Winter Brook road in a southwesterly direction to a culvert at the boundary line of Lot No. 11 in Waterville Estates; thence running along Winter brook in a meandering southwesterly, northwesterly, and northerly direction along the boundary lines of Lots 11 and 14 in Waterville Estates back to Winter Brook road; thence turning and running in a straight line in a northeasterly direction across Winter Brook road to the point of beginning; and it is

Further ordered, that Winter Brook Water Company, Inc., file with this commission

Page 377

a tariff outlining terms, conditions, and rates for its service; and it is

Further ordered, that said utility advise the commission of the status of Special Contract No. 1 referenced in the accompanying report; and it is

Further ordered, that all actions outlines herein become effective with billings issued on and after the date of this order.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of December, 1978.

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NH.PUC*12/19/78*[78209]*63 NH PUC 378*New Hampshire Electric Cooperative, Inc.

[Go to End of 78209]

Re New Hampshire Electric Cooperative, Inc.

DE 78-232, Order No. 13,443

63 NH PUC 378

New Hampshire Public Utilities Commission

December 19, 1978

ORDER for electric cooperative *to prepare testimony regarding small power production facilities.*

BY THE COMMISSION:

Order

Whereas, RSA 362-A directs that public utilities purchasing electrical energy in accordance with the provisions set forth in Chap 362-A shall pay a price per kilowatt-hour to be set from time to time by the New Hampshire Public Utilities Commission; and

Whereas, the federal Public Utility Regulatory Policies Act of 1978, effective subsequent to RSA 362-A, directs that the Federal Energy Regulatory Commission shall prescribe rules requiring electric utilities to purchase power from small power production facilities; and

Whereas, the Public Utility Regulatory Policies Act specifies that no such rule prescribed shall provide for a rate which exceeds the incremental cost to the electric utility of alternative electric energy; it is

Ordered, that New Hampshire Electric Cooperative, Inc. develop and be prepared to present testimony on a rate reflecting its incremental cost of energy, which, but for the purchase from one or more limited electrical energy producers, it would generate or purchase from another source; it is

Further ordered, that a public hearing be held to receive testimony on this matter to be scheduled at a later date at the office of the commission.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of December, 1978.

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NH.PUC*12/19/78*[78210]*63 NH PUC 379*Public Service Company of New Hampshire

[Go to End of 78210]

Re Public Service Company of New Hampshire

DE 78-233, Order No. 13,444

63 NH PUC 379

New Hampshire Public Utilities Commission

December 19, 1978

ORDER for electric company to provide testimony regarding small power production facilities.

BY THE COMMISSION:

Order

Whereas, RSA 362-A:4 directs that public utilities purchasing electrical energy in accordance with the provisions set forth in Chap 362-A shall pay a price per kilowatt-hour to be set from time to time by the New Hampshire Public Utilities Commission; and

Whereas, the federal Public Utility Regulatory Policies Act of 1978, effective subsequent to RSA 362-A directs that the Federal Energy Regulatory Commission shall prescribe rules requiring electric utilities to purchase power from small power production facilities; and

Whereas, the Public Utility Regulatory Policies Act specifies that no such rule prescribed shall provide for a rate which exceeds the incremental cost to the electric utility of alternative electric energy; it is

Ordered, that Public Service Company of New Hampshire develop and be prepared to present testimony on a rate reflecting its incremental cost of energy, which, but for the purchase from one or more limited electrical energy producers, it would generate or purchase from another source; and it is

Further ordered, that a public hearing be held to receive testimony on this matter at a time to be scheduled by the commission.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of December, 1978.

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NH.PUC*12/20/78*[78211]*63 NH PUC 379*Conway Scenic Railroad

[Go to End of 78211]

Re Conway Scenic Railroad

I-T14,819, Order No. 13,445

63 NH PUC 379

New Hampshire Public Utilities Commission

December 20, 1978

APPLICATION for authority to install whistle posts upon approach to a railroad grade crossing; granted.

Page 379

CROSSINGS, § 70 — Protection and safety — Whistling.

[N.H.] Where the commission was of the opinion that the location of whistle posts upon the approach to a grade crossing would be at such a distance as to provide reasonable warning and as to not unduly interfere with highway traffic, the commission approved the proposed installation.

BY THE COMMISSION:

Order

Whereas, upon application of the Conway Scenic Railroad, which seeks to install whistle posts at certain distances upon approaching the Echo Lake road, Still road, and Allen's Side Track grade crossings; and

Whereas, upon investigation and consideration the commission is of the opinion that whistle posts at the crossings on the Conway Scenic Railroad shall be located approximately 25 rods (412.5 feet) distant therefrom which distance is based upon the presently authorized train speeds; and

Whereas, the commission is of the opinion that the distance authorized herein will provide a reasonable warning and will not unduly interfere with highway traffic; it is

Ordered, that the Conway Scenic Railroad be, and hereby is, authorized to locate whistle posts at a distance of 25 rods (412.5 feet) upon the approach to the grade crossing and shall cause whistle signals to be given and the ringing of the bell as set forth in Order No. 9049 in DT 5198 as follows:

"Two long, one short, and one long blast to be prolonged or repeated until crossing is occupied by engine or leading car; the first blast to be begun at the location of a whistle post, and the last blast to be completed as the engine, or leading car reaches the crossing, and the engine bell shall be rung upon approaching such public crossings throughout the distance between the whistle post and the crossing";

By order of the Public Utilities Commission of New Hampshire this twentieth day of December, 1978.

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NH.PUC*12/20/78*[78212]*63 NH PUC 380*Rate Structures for Electric Utilities

[Go to End of 78212]

Re Rate Structures for Electric Utilities

DR 75-20, Order No. 13,446

63 NH PUC 380

New Hampshire Public Utilities Commission

December 20, 1978

INVESTIGATION into adequacy of existing rate structures of electric utilities.

RATES, § 327 — Rates and charges of particular utilities — Electric — Off-peak use.

[N.H.] In an ongoing investigation of electric utility rate structures the commission accepted the optional time-of-use and time-of-day rates as proposed by the utilities, where the commission believed the rates had sufficient price differentials between on-peak and off-peak periods to cause shifting of customers' loads.

Page 380

APPEARANCES: Martin L. Gross and Ralph Wood for Public Service Company of New Hampshire; Joseph S. Ransmeier and Franklin Hollis for Concord Electric Company and Exeter and Hampton Electric Company; Mayland H. Morse, Jr., and Thomas W. Morse for New Hampshire Electric Cooperative, Inc.; Charles Whitehair for Connecticut Valley Electric Company; Michael Roy for Woodsville Water and Light Department; Philip H. R. Cahill and William Hayes for Granite State Electric Company; James Burns for the Governor's Council on Energy; and Harold Judd for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

This docket case, DR 75-20, was initiated by this commission on January 22, 1975, for the purpose of determining the adequacy of present rate structures versus the claims of various groups that the present-day economic situation and energy picture call for more time-of-use oriented pricing structures.

On January 10, 1977, this commission, as a part of this ongoing case, directed the six major electric utilities in this state to initiate an experimental program wherein statistically selected customer samples would participate in taking service under peak-load pricing rates. This program was substantially under way starting July 1, 1977, with respect to the residential class of customers, with commercial and industrial customer classes following in later phases.

Almost coincidental with the close of the experimental program for residential customers, House Bill No. 4 (Chap 29) was approved on June 23, 1978, for effect January 1, 1979, mandating optional peak-load pricing rates for all customers, on both a daily and seasonal basis, based on costs to the utility.

Accordingly, the commission reopened its generic rate case on electric rate structures (DR 75-20) on October 31, 1978, for the purpose of receiving reports and analyses of the residential peak-load pricing experiment from the six major utilities involved.

At the same time, proposed peak-load rates as called for by Chap 29 (House Bill No. 4) were to be submitted, reflecting, where appropriate, the results of the experimental program. The small municipal electric utilities under our jurisdiction did not participate in the experimental peak-load pricing program, but were invited to attend the reopened hearings for such information as would be forthcoming and helpful to them in complying with Chap 29. Letters of notice were sent reopening this hearing. Three days of hearings were concluded on November 29, 1978.

The basic design of the peak-load pricing rates used in the experiment priced electricity higher during the daytime peak period and lower during the off-peak hours; thus, by shifting use, customers had the opportunity to take electricity at a lower rate. Because the customers were statistically chosen on a nonvoluntary basis, the customer also received a bill based on the regular rates, and had the option of paying either bill. If the customer failed to shift his use and received a higher bill than the regular rate, he would pay the lower bill and thus escape the penalty of on-peak use. In general, the companies were in agreement that the pay-either-bill approach had a negative effect on the experiment.

In the case of Public Service Company

Page 381

of New Hampshire, 101 residential customers were involved in the experiment. On an annual basis, nine saved money; ninety-two customers' billings under the peak-load rates were 10.7 per cent higher than the billings under the regular rate.

Looking at the New Hampshire Electric Cooperative, Inc. figures, forty-five residential customers were involved. Of 516 bills over a 12-month period, 490 showed an increase and 26 showed a decrease on the experimental peak-load pricing. Other companies in the experiment showed similar but variable results.

Granite State Electric Company showed 264 customer bills with a saving, and 336 with an increase; Exeter and Hampton Electric Company indicated 216 with lower bills and 426 with higher bills; Concord Electric Company, with its experiment not fully concluded, showed 208 bills with a saving, and 231 with increases. No data is available with respect to Connecticut Valley Electric Company, Inc. Their experimental study will not be concluded until year-end 1978, and, because the rates in the experiment are seasonally differentiated, a full year's data is necessary for meaningful results.

In all cases, the number that saved on the experimental peak-load rate were less than the number who would have paid more.

The utilities have now filed new peak-load pricing rates, available to all residential customers on an optional basis. With some modifications, these rates are substantially the same as those used during the experimental program; the major difference being the requirement that service under the optional peak-load rate will be for a minimum period of one year; and, of course, the customer will not have the option of paying the lower of two bills — one for the peak-load rate and one for the regular rate. There is an opportunity for saving under the peak-load rate but the customer will have to shift his load to an off-peak period. The penalty for not shifting is the higher on-peak rate, which incentive was not present during the experiment.

The Legislative Utility Consumers' Council presented one witness in this case, Richard A. Galligan. Mr. Galligan testified his area of expertise to be economics. In addition he stated that he had testified before several state commissions "in the area of rate design and cost of service." His testimony supported the theory of peak-load rates (time-of-day rates), but with the provision that the appropriate cost to reflect in those rates was marginal cost, as opposed to average embedded cost approach.

Mr. Galligan's approach represented but one of the methods available for consideration. Others were heard by the commission during the course of the proceedings in this docket.

While many of these approaches may be theoretically correct, practical application does not always follow. As an example, the marginal cost approach is alleged to more precisely determine the cost of energy during peak and off-peak periods; and by so doing provide a better signal for encouraging a customer to shift his use to a lower-price off-peak period when his service will be supplied by a more efficient base-load generating plant. Thus, this is considered to be an energy-saving operation. One shortcoming of determining the full marginal cost, as we see it, will be to cause an even greater increase in price to the low-use, and presumably low-income, people, because they have little load that can be shifted to off-peak use.

Page 382

The Public Utility Regulatory Policies Act of 1978 among other things requires state commissions to consider lifeline rates which set the price lower than the cost of service for essential needs. If we set on-peak rates based on marginal costs, this will result in an even greater number of customers who will become available for consideration to be shifted to lifeline rates lower than average cost of service for essential needs. Practical experience seems to indicate that a certain amount of price averaging in rates is inescapable.

On the basis of data furnished by the utilities, we estimate the cost of the peak-load pricing experiment to be about \$500,000. The Public Utility Regulatory Policies Act of 1978 calls for commission action on 11 rate-making standards, including, among others, cost of service, time-of-day rates, seasonal rates, interruptible rates, etc. Until some guidelines are established with respect to this mandatory act, we think a sufficient amount of customers' money has been spent on commission-dictated rate studies.

The optional rates proposed by the utilities have, in our judgment, sufficient price differentials between on-peak and off-peak periods to cause shifting of customers' loads, if there is, in fact, any substantial customer interest in this matter.

It is our view that utility rates should be relatively simple in design, easy to understand with good customer acceptance, and sufficient to produce adequate revenue to the utility without undue or unreasonable disadvantage to any customer. It is our experience that these objectives are obtained from rates designed on technically sound methods modified to reflect practicable application and acceptance. Most if not all rates on file with this commission are a product of evolution, having been developed over a period of many years. We are satisfied that the progress being made in this case at hand is sufficient.

Priest, in his *"Principles of Public Utility Regulation"* (Vol 1, 1969), states that "Ratemaking

is complex and difficult. Economists, rate engineers, analysts, accountants, even in the aggregate, have fewer than all the answers. Informed judgment and enlightened discretion must be exercised. The public interest is the watchword."

We shall let the rates as filed go into effect January 1, 1979, and shall follow the public interest in these rates. Our order will issue accordingly.

Order

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

Ordered, that proposed "time-of-use" and "time-of-day" rates as set forth in Public Service Company of New Hampshire's Exh P16 as attachment 2, be, and hereby are, permitted to become effective January 1, 1979; and the company shall file properly executed tariff pages to reflect this order; and it is

Further ordered, that First Revised Page 1 and Original Pages 33, 34, 35, 36, and 37 of NHPUC No. 8 — Electricity, filed for effect January 1, 1979, by New Hampshire Electric Cooperative, Inc. be, and hereby are, permitted to become effective as filed; and it is

Further ordered, that Original Pages 40 and 41, NHPUC No. 8 — Electricity, filed for effect January 1, 1979, by Granite State Electric Company, be, and hereby are, permitted to become effective as filed; and it is

Further ordered, that Third Revised Page 1 and Original Revised Pages 31, 32, NHPUC No. 6 — Electricity filed for

Page 383

effect January 2, 1979, by Concord Electric Company be, and hereby are permitted to become effective as filed; and it is

Further ordered, that First Revised Page 1, Original Pages 32, 33, NHPUC No. 11 — Electricity, and Original Page No. 1 of Supplement No. 2 thereto filed for effect January 2, 1979, by Exeter and Hampton Electric Company be, and hereby are, permitted to become effective as filed; and it is

Further ordered, that proposed "time-of-day" and "time-of-use" rates as set forth in Connecticut Valley Electric Company, Inc., Exh No. 1 as Original Pages 19.1, 19.2, and 19.3 of NHPUC No. 4 — Electricity, be and hereby are, permitted to become effective January 1, 1979, and the company shall file properly executed tariff pages to reflect this order; and it is

Further ordered, that publication of these rates shall be made by a one-time public notice in a newspaper having general circulation in the respective territories served by the foregoing companies, and also by appropriate bill inserts to the companies' customers.

By order of the Public Utilities Commission of New Hampshire this twentieth day of December, 1978.

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NH.PUC*12/26/78*[78213]*63 NH PUC 384*New Hampshire Department of Public Works and Highways

[Go to End of 78213]

Re New Hampshire Department of Public Works and Highways

DT 78-231, Order No. 13,447

63 NH PUC 384

New Hampshire Public Utilities Commission

December 26, 1978

PETITION for rehabilitation and widening of highway structures over a river and railroad tracks; granted.

RAILROADS, § 22 — Construction and equipment — Bridges.

[N.H.] The commission granted authority to the Department of Public Works and Highways to rehabilitate two bridges which spanned a river and railroad tracks and, in connection with that project, granted authority to regrade the railroad tracks to increase the vertical clearance where the proposed changes were found consistent with the public good and all costs of the project would be borne by the department.

BY THE COMMISSION:

Order

Whereas, by petition filed December 18, 1978, the New Hampshire Department of Public Works and Highways represents that it is necessary to reconstruct and widen two bridges which span the Winnepesaukee river and the tracks of the Concord-Lincoln Railroad Line owned by the state of New Hampshire; and

Whereas, in connection with this project it is desired to increase the vertical clearance above the railroad tracks by lowering the tracks to a maximum of one

Page 384

foot six inches, thereby increasing the clearance from 21 feet 5 1/2 inches to 22 feet 4 3/8 inches under the southbound structure and increase from 23 feet to approximately 24 feet 1 3/4 inches, which involves regrading of approximately 1,800 feet of track; and

Whereas, all costs of the project will be borne by the state of New Hampshire, Department of Public Works and Highways; and

Whereas, the commission is of the opinion that the proposed changes are consistent with public safety; it is

Ordered, that the Department of Public Works and Highways be, and hereby is, authorized to rebuild the overhead structures, both northbound bridge No. 118/158 and southbound bridge No.

117/157, which carry Interstate Highway 93 over the tracks of the state of New Hampshire-owned Concord-Lincoln line in the town of Tilton and in connection therewith regrade the railroad tracks for a distance of 1,800 feet to provide a maximum lowering of the same of one foot six inches; and it is

Further ordered, that the work on the railroad roadbed shall be performed in accordance with plans on file at the office of the commission marked DT 78-231, and in a manner satisfactory to this commission and to the New Hampshire Transportation Authority; and it is

Further ordered, that during the process of reconstruction of the overhead bridges a temporary bridge referred to as a "Bailey bridge" be and hereby is authorized to be constructed between the northbound and southbound structures for use during the reconstruction period with a clearance above the rail of 25 feet and horizontal clearance of eight feet six inches; and it is

Further ordered, that the expense of the reconstruction and track changes herein authorized shall be borne by the state of New Hampshire, Department of Public Works and Highways.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of December, 1978.

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NH.PUC*12/26/78*[78214]*63 NH PUC 385*David A. Sturrock et al.d/b/a Gunstock Glen Water Company

[Go to End of 78214]

Re David A. Sturrock et al.d/b/a Gunstock Glen Water Company

DE 78-173, Order No. 13,448

63 NH PUC 385

New Hampshire Public Utilities Commission

December 26, 1978

PETITION for authority to discontinue service as a water utility and for authority to establish a water utility; granted.

PUBLIC UTILITIES, § 4 — Termination of public utility status — Disposal of property.

[N.H.] Where the proposed transferee of a water system testified as to his intention to comply with commission regulations and that the system's present tariff and operations would continue in basically the same manner as

Page 385

prior to the proposed transfer, the commission approved the transfer, permitted the transferors to discontinue operations of the water system, and granted authority to operate the system to the transferees.

APPEARANCES: Richard P. Brouillard for the petitioners.

BY THE COMMISSION:

Report

Joint petitions were filed by David A. Sturrock and Jean D. Sturrock, d/b/a Gunstock Glen Water Company and Maurice J. Paradise and Bernice J. Paradise, d/b/a Gunstock Glen Water Company on September 14, 1978. An order of notice was issued providing for a public hearing to be held at the office of the commission on October 24, 1978.

An unopposed hearing was held wherein the petitioner, Maurice J. Paradise, testified that the water system in question presently serves fifty-two customers and a potential of seven additional customers. This petitioner is generally familiar with water systems from 1972. He is presently operating this system for the copetitioner.

The petitioner is aware that this system is subject to regulation of the Water Supply and Pollution Control Commission and this commission. He further testified that he has been contacted by Water Supply and Pollution Control and that he has received a letter dated August 3, 1978, which he intends to comply with. The present tariff will be continued and the water system operated in basically the same manner as before.

The petitioner filed financial statements showing his net worth and condition. He also filed a map depicting the water distribution system. All of the above statements and map were entered into the record.

Petitioners Sturrock did not testify but their attorney stated in the record that these petitioners are in their eighties and are anxious to transfer the water system to the Paradise family. We accept said statement of their attorney in lieu of sworn testimony.

Upon consideration of all the evidence and the recommendation of the hearing examiner, we find that the public interest requires that David A. Sturrock and Jean D. Sturrock, d/b/a Gunstock Glen Water Company discontinue operations of a water system to a limited area in the town of Gilford and further find that the public interest requires that authority be granted to Maurice J. Paradise and Bernice Paradise, d/b/a Gunstock Glen Water Company, to operate a water system in a limited area in the town of Gilford, said area being shown on a map filed in this docket. Our order will issue accordingly.

Order

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

Ordered, that David A. Sturrock and Jean D. Sturrock, d/b/a Gunstock Glen Water Company be, and hereby is, authorized to sell and transfer its water system in the town of Gilford to Maurice J. Paradise and Bernice J. Paradise, d/b/a Gunstock Glen Water Company; and it is

Further ordered, that David A. Sturrock and Jean D. Sturrock, d/b/a Gunstock Glen Water Company be, and hereby is, authorized to discontinue operating as a public water utility; and it is

Further ordered, that Maurice J. Paradise and Bernice J. Paradise, d/b/a

Gunstock Glen Water Company be, and hereby is, authorized to operate as a public water utility in the area presently served by David J. Paradise and Bernice J. Paradise, d/b/a Gunstock Glen Water Company.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of December, 1978.

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NH.PUC*12/27/78*[78215]*63 NH PUC 387*Tillotson Rubber Company, Inc.

[Go to End of 78215]

Re Tillotson Rubber Company, Inc.

I-E14,817, Order No. 13,449

63 NH PUC 387

New Hampshire Public Utilities Commission

December 27, 1978

PETITION for exemption from public utility status; granted.

PUBLIC UTILITIES, § 3 — In general — Termination of public utility status.

[N.H.] Where a rubber company which generated its own electric power had a capacity for generation in excess of its demands and an electric cooperative sought to purchase the surplus energy in order to reduce its dependence upon fossil-fueled generation, the commission approved the sale, finding that it was consistent with the public good, and granted the rubber company's petition for exemption from public utility status.

BY THE COMMISSION:

Order

Whereas, Tillotson Rubber Company, Inc. (Dixville Notch, New Hampshire) filed with this commission on December 14, 1978, a petition by which it seeks exemption from public utility status; and

Whereas, said company generates electric power for its manufacturing and sundry needs, demands for which do not reach the capacity of such generating capability; and

Whereas, New Hampshire Electric Cooperative, Inc. desires to purchase such surplus energy; and

Whereas, the addition of such energy would reduce the Cooperative's dependence upon fossil-fueled generation, such reduction deemed consistent with the public good; it is

Ordered, that Tillotson Rubber Company, Inc. be, and hereby is, exempted from public utility status under RSA 362:5; and it is

Further ordered, that all electric energy surplus to the needs of Tillotson Rubber Company, Inc. and its associated operations be sold to New Hampshire Electric Cooperative, Inc., rates for which will be set by this commission; and it is

Further ordered, that public notice of this exemption be given by one-time publication of this order in a newspaper having general circulation in the territory served by the Cooperative.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of December, 1978.

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NH.PUC*12/28/78*[78216]*63 NH PUC 388*Public Service Company of New Hampshire

[Go to End of 78216]

Re Public Service Company of New Hampshire

DF 78-218, Order No. 13,450

63 NH PUC 388

New Hampshire Public Utilities Commission

December 28, 1978

PETITION for authority to extend the maturity of term notes; granted.

SECURITY ISSUES, § 9 — In general — Maturity date — Extension.

[N.H.] An electric company was granted authority to extend the maturity of term notes which had been issued pursuant to commission order where no changes were to be made in the terms of the borrowing arrangements, including the interest rate, and where the company represented that there was no available source of nonbank funds to pay off the term notes.

APPEARANCES: Ralph H. Wood and Russell A. Winslow for the petitioner.

BY THE COMMISSION:

Report

By this unopposed petition filed November 27, 1978, 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 extend the maturity of term notes issued pursuant to our Order No.12,991 dated December 19, 1977, and now outstanding in the aggregate amount of \$25 million.

At the hearing on the petition, held in Concord on December 12, 1978, the company moved to amend its petition, as described below, and submitted that it proposed to extend until January 3, 1980, or an earlier date, the maturity of \$25 million in principal amount of term notes now outstanding and payable on January 2, 1979; the seven lending banks and the amount which each has lent the company being as follows:

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

Citibank, N. A.	\$5,000,000
The First National Bank of Boston	5,000,000
Manufacturers Hanover Trust Company	5,000,000
Morgan Guaranty Trust Company of New York	5,000,000
Bank of America National Trust and Savings Association	2,000,000
Continental Illinois National Bank and Trust Company	2,000,000
Shawmut Bank of Boston, N. A.	1,000,000

It was further submitted by the company that the company and the banks were currently negotiating the proposed extension of maturity and that no changes (other than extension of the maturity to January 3, 1980) had been proposed in the terms of the borrowing arrangements, which provide for interest

Page 388

to be paid quarterly at fluctuating interest rates per annum equal to the sum of 116 per cent of the base commercial lending rate charged from time to time by The First National Bank of Boston, plus one-fourth per cent, and that the principal or any portion in integral multiples of \$1 million may be repaid at any time upon three days notice. The company represented, however, that a shorter extension or an increase in the interest rate, or both, might be agreed upon as a result of the further negotiations.

The company described potential sources of cash to refinance the term notes at their present maturity, submitting that it was desirable to keep the \$25 million as part of the long-term debt component of the company's capital structure and that there were no presently available sources of nonbank funds to pay off the term notes.

The company submitted a balance sheet as at September 30, 1978, actual and pro formed to reflect extension of the maturity of the term notes. A certified copy of authorizing votes of the company's board of directors was put in evidence at the hearing.

At the hearing the company moved to amend its petition (1) to request authority to extend the maturity of the term notes to January 3, 1980, or to some earlier date and (2) to request authority to extend on the same terms or on different terms which might be negotiated with the banks. However, by letter dated December 19, 1978, the company withdrew its motion and notified the commission that agreement had been reached with the banks providing for extension of the maturity of the term notes to January 3, 1980, on the present terms, including the present interest

rates as described above.

Upon investigation and consideration, the commission is satisfied and finds that extension of the maturity of the term notes will be consistent with the public good.

Our order will issue authorizing the extension of the maturity, on the terms presented, of the company's outstanding term notes in the amount of \$25 million payable to said group of commercial banks.

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 extend until January 3, 1980, the maturity of its term notes in the aggregate amount of \$25 million presently payable on January 2, 1979, to banks as follows:

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

Citibank, N. A.	\$5,000,000
The First National Bank of Boston	5,000,000
Manufacturers Hanover Trust Company	5,000,000
Morgan Guaranty Trust Company of New York	5,000,000
Bank of America National Trust and Savings Association	2,000,000
Continental Illinois National Bank and Trust Company of Chicago	2,000,000
Shawmut Bank of Boston, N. A.	1,000,000

and bearing interest at fluctuating rates per annum equal at all times to the sum of 116 per cent of the base commercial lending rate charged from time to time

Page 389

by The First National Bank of Boston, plus one-fourth per cent.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of December, 1978.

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NH.PUC*12/29/78*[78217]*63 NH PUC 390*Public Service Company of New Hampshire et al.

[Go to End of 78217]

Re Public Service Company of New Hampshire et al.

DR 76-46, 35th Supplemental Order No. 13,451

63 NH PUC 390

New Hampshire Public Utilities Commission

December 29, 1978

PETITION of electric companies for authority to apply a fuel adjustment charge to regular

monthly billings to their customers; granted.

RATES, § 303 — Kinds and forms of rates and charges — Variable rates based on cost — Fuel clauses.

[N.H.] Where electric utilities had filed revisions to their tariffs comprising the monthly calculation of their fuel adjustment charges, the commission found that the filings were in accordance with the applicable provisions of law and that the proposed fuel adjustment charges were just and reasonable, and approved the rate increases.

APPEARANCES: Eaton W. Tarbell, Jr., and Philip Ayers for Public Service Company of New Hampshire; Rocco Pelillo for Concord Electric Company; Robert W. Boisvert for Exeter and Hampton Electric Company; Thomas W. Morse for New Hampshire Electric Cooperative, Inc.; William G. Hayes for Granite State Electric Company; Dennis Bean for the Municipal Electric Department of Wolfeboro; John Cassidy for Littleton Water and Light Department; Richard Schwartz for the Connecticut Valley Electric Company, Inc.; Michael V. Roy for the Woodsville Water and Light Department, and J. Michael Love for the Legislative Utility Consumers' Council.

BY THE COMMISSION:

Report

Pursuant to RSA 378:3-A(II), the commission on December 21, 1978, held hearings on the petitions of nine New Hampshire electric companies for authority to apply a fuel adjustment charge to regular January, 1979, monthly billings to their customers.

Reference may be made to previous commission decisions in this docket for statements and explanations of the fuel adjustment clause.

Woodsville Water and Light Department

Woodsville Water and Light Department, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on December 15, 1978, filed with this commission 26th Revised Page 10B to its tariff, NHPUC No. 3 — Electricity, comprising

Page 390

the monthly calculation of the fuel adjustment charge for effect January 1, 1979. Woodsville purchases all of its requirements from Central Vermont Public Service Corporation. Woodsville reported that during the month of November, 1978, the total fuel cost billed by Central Vermont was \$4,697.70. During this same period the total kilowatt-hours sold by Woodsville was 820,796. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of January, 1979, is 57 cents per hundred kilowatt-hours.

Littleton Water and Light Department

Littleton Water and Light Department, a public utility engaged in the business of supplying

electric service in the state of New Hampshire on December 15, 1978, filed with this commission 57th Revised Page 6 to its tariff, NHPUC No. 1 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect January 1, 1979. Littleton purchases all of its requirements from the New England Power Company. Littleton reported that the total fuel cost billed by the New England Power Company during the month of November, 1978, was \$2,579.54. During this same period the total kilowatt-hours sold by Littleton were 2,915,962. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of January, 1979, is nine cents per hundred kilowatt-hours.

Municipal Electric Department of Wolfeboro

Municipal Electric Department of Wolfeboro, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on December 8, 1978, filed with this commission Fourth Revised Page 11 to its tariff, NHPUC No.5 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect January 1, 1979. Wolfeboro purchases all of its requirements from Public Service Company of New Hampshire. Wolfeboro reported that during the month of November, 1978, the total fuel cost billed by Public Service was \$26,425.20. During the same period the total kilowatt-hours sold by Wolfeboro was 1,969,698. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of January, 1979, is \$1.43 per hundred kilowatt-hours.

Granite State Electric Company

Granite State Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire, on December 14, 1978, filed with this commission 52nd Revised Page 15A to its tariff, NHPUC No. 8 — Electricity, comprising the monthly fuel adjustment charge for effect January 1, 1979. Granite State purchases all of its requirements from the New England Power Company. Granite State reported that the variable portion of the fuel cost billed by New England Power Company was \$26,769.05. Total sales to Granite State customers during the same period was 28,392,288 kilowatt-hours. By simple division this yields \$0.000943 per kilowatt-hour which is added to the fixed fuel portion of \$0.0124 per kilowatt-hour. Thus, the fuel adjustment charge applicable to bills rendered in the month of January, 1979, is proposed to be \$1.33 per hundred kilowatt-hours.

New Hampshire Electric Cooperative, Inc.

New Hampshire Electric Cooperative,

Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on December 15, 1978, filed with this commission Ninth Revised Page 17 to its tariff, NHPUC No. 8 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect January 1, 1979. The company reported that the total fuel cost billed by its several power suppliers for power during the month of November, 1978, was \$270,941. Total sales by the Co-op during the same month was 23,332,818 kilowatt-hours. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of January, 1979, is \$1.16 per hundred kilowatt-hours.

Connecticut Valley Electric Company, Inc.

Connecticut Valley Electric Company, Inc., a public utility engaged in the business of supplying electric service in the state of New Hampshire, on December 18, 1978, filed with this commission 21st Revised Page 18 to its tariff, NHPUC No. 4 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect January 1, 1979. Connecticut Valley purchases all of its requirements from Central Vermont Public Service Corporation. Connecticut Valley reported that during the month of November, 1978, the total fuel cost billed by Central Vermont was \$77,126. During this same period the total kilowatt-hours sold by Connecticut Valley Electric Company was 13,209,891. The fuel adjustment, therefore, by simple division and rounded which is proposed for effect in the month of January, 1979, is 58 cents per hundred kilowatt-hours.

Exeter and Hampton Electric Company

Exeter and Hampton Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on December 13, 1978, filed with this commission 42nd Revised Page 16 to its tariff, NHPUC No. 11 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect January 1, 1979. Exeter and Hampton Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Exeter and Hampton reported that the total fuel cost billed by Public Service Company for the month of November, 1978, was \$314,692.62. Total sales by Exeter and Hampton during the same period was 23,601,826 kilowatt-hours. The fuel adjustment charge, therefore, by simple division and rounded which is proposed for effect in the month of January, 1979, is \$1.33 per hundred kilowatt-hours.

Concord Electric Company

Concord Electric Company, a public utility engaged in the business of supplying electric service in the state of New Hampshire on December 8, 1978, filed with this commission 46th Revised Page 15A to its tariff, NHPUC No. 6 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect January 1, 1979. Concord Electric Company purchases all of its requirements from Public Service Company of New Hampshire. Concord Electric reported that the total fuel cost billed by Public Service Company during the month of November, 1978, was \$289,309.58. Total sales during the same period was 22,249,987 kilowatt-hours. The fuel adjustment charge, therefore,

Page 392

by simple division and rounded which is proposed for effect in the month of January, 1979, is \$1.30 per hundred kilowatt-hours.

Public Service Company of New Hampshire

Public Service Company of New Hampshire, a public utility engaged in the business of supplying electric service in the state of New Hampshire on December 19, 1978, filed with this commission Tenth Revised Pages 17 and 18 to its tariff, NHPUC No. 22 — Electricity, comprising the monthly calculation of the fuel adjustment charge for effect January 1, 1979.

The company reported a fuel cost above base of \$6,003,693 and total kilowatt-hours subject to the fuel adjustment of 442,725,000 resulting in a per kilowatt-hour charge of \$0.01356077. The fuel adjustment charge rounded to \$1.36 per hundred kilowatt-hours is proposed to go into effect in the month of January, 1979.

Based upon all of the testimony and evidence in the record of this proceeding, the commission finds that the proposed fuel adjustment charges for the month of January, 1979, are just and reasonable, in accordance with pertinent provisions and all other applicable provisions of law. Our order will issue accordingly.

Supplemental Order

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

Ordered, that Tenth Revised Pages 17, 18 of Public Service Company of New Hampshire tariff, NHPUC No. 22 — Electricity, providing for the monthly fuel surcharge of \$ 1.36 per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979; and it is

Further ordered, that 46th Revised Page 15A of Concord Electric Company tariff, NHPUC No. 6 — Electricity, providing for the monthly fuel surcharge of \$1.30 per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979; and it is

Further ordered, that 42nd Revised Page 16 of Exeter and Hampton Electric Company tariff, NHPUC No. 11 — Electricity, providing for the monthly fuel surcharge of \$1.33 per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979; and it is

Further ordered, that 21st Revised Page 18 of Connecticut Valley Electric Company, Inc. tariff, NHPUC No. 4 — Electricity, providing for the monthly fuel surcharge of 58 cents per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979; and it is

Further ordered, that Ninth Revised Page 17 of New Hampshire Electric Cooperative, Inc., tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.16 per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979; and it is

Further ordered, that 52nd Revised Page 15A of Granite State Electric Company tariff, NHPUC No. 8 — Electricity, providing for the monthly fuel surcharge of \$1.33 per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979; and it is

Further ordered, that Fourth Revised

Page 11 of the Municipal Electric Department of Wolfeboro tariff, NHPUC No. 5 — Electricity, providing for the monthly fuel surcharge of \$1.34 per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979; and it

is

Further ordered, that 60th Revised Page 6 of Littleton Water and Light Department tariff, NHPUC No. 1 — Electricity, providing for the monthly fuel surcharge of nine cents per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979; and it is

Further ordered, that 26th Revised Page IOB of Woodsville Water and Light Department tariff, NHPUC No. 3 — Electricity, providing for the monthly fuel surcharge of 57 cents per hundred kilowatt-hours for the month of January, 1979, be, and hereby is, permitted to become effective January 1, 1979.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of December, 1978.

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NH.PUC*12/29/78*[78218]*63 NH PUC 394*Connecticut Light and Power Company

[Go to End of 78218]

Re Connecticut Light and Power Company

DSF 6205, Supplemental Order No. 13,452

63 NH PUC 394

New Hampshire Public Utilities Commission

December 29, 1978

APPLICATION for permission to transfer undivided interest in a nuclear power plant; granted.

CONSOLIDATION, MERGER, AND SALE, § 52 — Terms and conditions — Sale price.

[N.H.] Where the commission had authorized an electric company to transfer its participation in the Seabrook Nuclear Power Station Project, subject to the reserved right of two electric utilities to acquire a percentage participation from the company pursuant to the Seabrook agreement, and the utilities informed the company that they wished to acquire their participation entitlements at substantially the same terms and consideration as approved by the commission in the original transfer application, the commission authorized the transfers to those utilities.

BY THE COMMISSION:

Supplemental Order

Whereas, by its Order No. 13,424 issued December 6, 1978, in this proceeding the commission authorized Connecticut Light and Power Company to transfer its 11.9776 per cent participation in the Seabrook Station project in certain stated proportions to several designated

nonresident electric utility company transferees, subject, however, to the reserved right of Massachusetts Municipal Wholesale Electric Company ("MMWEC") and the town of Hudson through its Light and Power Department ("Hudson") to acquire up to 0.04091 per cent participation in the project from the company pursuant to Par 3 of the so-called Seabrook agreement; and

Whereas, subsequent to the date of hearing in this matter the company has been advised by Hudson and MMWEC

Page 394

that they each wish to acquire their said participation entitlement in the project from the company directly and prior to the company's transfer of its said participation to the said designated transferees; and

Whereas, the portion of the project to which MMWEC is entitled from the company under the Seabrook agreement is 0.02339 per cent, and the portion to which Hudson is entitled is 0.01752 per cent, and the company has represented that each of the said transferees is willing to acquire its sale participation as provided by the said agreement upon substantially the same terms and for a consideration determined in substantially the same manner as contemplated with respect to the original transfers authorized under Order No. 13,424; it is

Ordered, that the company be authorized to sell and transfer to the town of Hudson through its Light and Power Department 0.01752 per cent participation in the said Seabrook project and similarly that the company be authorized to transfer to MMWEC 0.02339 per cent participation in the said Seabrook project, each such transfer to be subject to substantially the same terms and for a consideration determined in substantially the same manner as the transfers heretofore authorized from the company to various contemplated transferees under Order No. 13,424, and the said transfers to Hudson and MMWEC to be charged against the shares to be transferred to the said transferees referred to under Order No. 13,424 in the manner described in the report accompanying the said order.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of December, 1978

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NH.PUC*12/29/78*[78219]*63 NH PUC 395*Public Service Company of New Hampshire

[Go to End of 78219]

Re Public Service Company of New Hampshire

DR 77-49, 16th Supplemental Order No. 13,453

63 NH PUC 395

New Hampshire Public Utilities Commission

December 29, 1978

ORDER directing amortization of rate case expenses.

EXPENSES, § 92 — Treatment of particular kinds of expenses — Amortization of rate case expenses.

[N.H.] Where it appeared to be in the best interests of both an electric company and its ratepayers that the company's rate case expenses be charged as an operating expense and amortized over three years rather than collected through a surcharge, the commission ordered the amortization.

BY THE COMMISSION:

Supplemental Order

Whereas, Public Service Company of New Hampshire has determined the amount of rate case expenses applicable to this petition to be \$240,971; and

Whereas, the petitioner has requested that these expenses be charged to

Page 395

operating expenses and amortized equally during the years 1978, 1979, and 1980 rather than collecting them by surcharge; and

Whereas, this method would appear to be in the interests of both the company and the ratepayers; it is

Ordered, that the rate case expenses of \$240,971 be charged to operating expenses and amortized during the years 1978, 1979, and 1980.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of December, 1978.

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NH.PUC*12/29/78*[78220]*63 NH PUC 396*Municipal Electric Department of Littleton et al.

[Go to End of 78220]

Re Municipal Electric Department of Littleton et al.

I-R14,821, Order No. 13,454

63 NH PUC 396

New Hampshire Public Utilities Commission

December 29, 1978

ORDER implementing optional time-of-use and time-of-day rates.

RATES, § 649 — Procedure and practice — Hearing and notice — Alteration of notice period.

[N.H.] Where state electric utilities were required by statute to file optional time-of-use and time-of-day rates, the commission found that it was in the public interest to allow those rates to become effective on less than the 30-day notice period as required by statute.

BY THE COMMISSION:

Order

Whereas, Chap 29 (House Bill No. 4) passed by the New Hampshire legislature, June 23, 1978, to become effective January I, 1979, provides that all electric public utilities shall file with the commission optional time-of-use and time-of-day rates; and

Whereas, the Municipal Electric Departments of Littleton and Woodsville operate as public utilities outside their municipal limits; and

Whereas, the Municipal Electric Departments of Littleton and Woodsville have filed such optional rates to become effective January 1, 1979; and

Whereas, it is in the public interest that such rates become effective on less than the 30-day statutory notice period; it is

Ordered, that Original Pages 17 and 18, NHPUC No. 1 — Electricity, filed for effect January 1, 1979, by the Municipal Electric Department of Littleton be, and hereby are, permitted to become effective as filed on January 1, 1979; and it is

Further ordered, that Original Pages 27-32, NHPUC No. 3 — Electricity, filed for effect January 1, 1979, by the Municipal Electric Department of Woodsville be, and hereby are, permitted to become effective as filed on January 1, 1979; and it is

Further ordered, that the Municipal Electric Department of Wolfeboro shall file their tariff some time hereafter and a supplemental order will issue regarding same.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of December, 1978.

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Endnotes

1 (Popup)

*Mississippi Pub. Service Commission v Southern Bell Teleph. & Teleg. Co. (Miss 1956)
16 PUR3d 415.