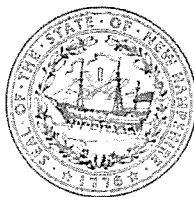


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THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION  
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July 3, 2013

Scott F. Eaton, Director  
Administrative Rules Division  
Office of Legislative Services  
State House Annex, Room 219  
25 Capitol Street  
Concord, New Hampshire 03301

NHPUC JUL03'13 PM 3:15

Re: Notice No. 2013-31 – Final Proposal  
Puc 700 - Rules for Sewer Utilities  
Commission Docket No. DRM 13-088

Dear Mr. Eaton:

On March 20, 2013, the Commission voted pursuant to RSA 541-A to initiate a rulemaking to readopt with amendment the Puc 700 Rules for Sewer Utilities. A rulemaking notice was filed with the Office of Legislative Services on March 22, 2013 as required by RSA 541-A:6. A public hearing was held on April 29, 2013, pursuant to RSA 541-A:11. No comments requesting changes to the Initial Proposal were received either at the hearing or in writing. On July 2, 2013, the Commission voted to establish the attached Final Proposal for the readoption with amendment of Puc 700.

The Commission asks that the JLCAR consider this proposal for approval.

As required by the Rulemaking Manual, enclosed please find one copy of the following:

- A completed Appendix II-G Cover Sheet for Final Proposal;
- The established text of the Final Proposed rule as the "Final Proposal—Fixed Text", including the cross-reference table required by RSA 541-A:3-a, II as an appendix; and
- The established text of the Final Proposed rule as the "Final Proposal—Annotated".

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Amy Ignatius".

Amy L. Ignatius  
Chairman

**NEW HAMPSHIRE DRAFTING AND PROCEDURE MANUAL**  
**APPROVED 1-6-12 TO BE EFFECTIVE 2-20-12**

**APPENDIX II-G**

**COVER SHEET FOR FINAL PROPOSAL**

Notice Number 2013-31 Rule Number Puc 700

<p>1. Agency Name &amp; Address:</p> <p><b>New Hampshire Public Utilities Commission</b> <b>21 South Fruit Street, Suite 10</b> <b>Concord, NH 03301</b></p>	<p>2. RSA Authority: <u><b>RSA 365:8, XII</b></u></p> <p>3. Federal Authority: _____</p> <p>4. Type of Action:</p> <p><input type="checkbox"/> Adopt</p> <p><input type="checkbox"/> Amendment</p> <p><input type="checkbox"/> Repeal</p> <p><input type="checkbox"/> Readoption</p> <p><input checked="" type="checkbox"/> Readoption w/amendment</p>
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5. Short Title: Puc 700 Rules for Sewer Utilities

6. Contact person for copies and questions:

Name: <b>Marcia Brown</b>	Title: <b>Staff Attorney</b>
Address: <b>New Hampshire Public Utilities Commission</b> <b>21 South Fruit Street, Suite 10</b> <b>Concord, NH 03301</b>	Phone #: <b>603-271-2431</b>

7. Yes ☐ No ☒ Agency requests review by Committee legal staff in the Office of Legislative Services and delayed Committee review pursuant to RSA 541-A:12, I-a.

8. The rulemaking notice appeared in the Rulemaking Register on March 28, 2013

9. Yes ☐ N/A ☒ Agency notified policy committees, or House Speaker and Senate President, pursuant to RSA 541-A:10, I because this is the first time this rule or its amendments have been proposed to implement newly-enacted state authority.

**SEE THE INSTRUCTIONS--PLEASE SUBMIT ONE COPY OF THIS COVER SHEET**  
**AND ONE COPY OF THE FOLLOWING:**  
**(optional to number correspondingly)**

10. The "Final Proposal-Fixed Text," including the cross-reference table required by RSA 541-A:3-a, II as an appendix.

11.- Yes ☐ N/A ☒ Incorporation by Reference Statement(s) because this rule incorporates a document or Internet content by reference for which an Incorporation by Reference Statement is required pursuant to RSA 541-A:12, III.

12. Yes ☒ N/A ☐ The "Final Proposal-Annotated Text," indicating how the proposed rule was changed because the text of the rule changed from the Initial Proposal pursuant to RSA 541-A:12, II(e).

**NEW HAMPSHIRE DRAFTING AND PROCEDURE MANUAL**  
**APPROVED 1-6-12 TO BE EFFECTIVE 2-20-12**

13. Yes ☐ N/A ☒ The amended fiscal impact statement because the change to the text of the Initial Proposal affects the original fiscal impact statement (FIS) pursuant to RSA 541-A:5, VI.

**INSTRUCTIONS FOR THE COVER SHEET FOR FINAL PROPOSAL**

The first and second unnumbered items, and Items 1 through 5, shall be completed with the same information as appeared in the “Rulemaking Notice Form” (Appendix II-C) as published for the Initial Proposal in the Rulemaking Register. Item 6 shall identify the name, title, address, and telephone number of the person in the agency who can answer questions about the proposed rule and supply copies.

The agency shall then indicate, by checking the appropriate box on Item 7, whether it is requesting that it receive and respond to comments of the Committee legal staff prior to the Committee meeting that is at least 28 days, but not more than 60 days, after the proposal is filed. In effect, this would be a request for postponement of Committee action. See RSA 541-A:12, I-a and Section 2.14 of Chapter 3 in the Drafting and Procedure Manual for Administrative Rules (Manual).

In Item 8 the agency shall list the full date, by month, day, and year, on which the “Rulemaking Notice Form” was published in the Rulemaking Register.

In Item 9 the agency shall indicate, by checking either the “Yes” box or the “N/A” (not applicable) box, whether it had notified the House and Senate policy committees, or the House Speaker and Senate President, pursuant to RSA 541-A:10, I because the Initial Proposal was the first time the rule or its amendments had been proposed to implement newly-enacted state authority.

Items 10 through 13 all relate to required attachments to the “Final Proposal Cover Sheet”. PROVIDE ONE COPY OF EVERYTHING SUBMITTED. IT IS OPTIONAL TO NUMBER THEM ACCORDINGLY. Item 10 is required in every filing, and therefore is listed without a check-box. Items 11 through 13 will be required only under the circumstances set forth in the description of the items listed below. The agency shall determine whether such attachment is required and then check either the “Yes” box to indicate that the document is required and has been attached or the “N/A” box if the document is not required and therefore not applicable:

- Item 10. The “Final Proposal—Fixed Text,” required by RSA 541-A:12, II(b). See also Section 2.12 of Chapter 3 in the Manual. Include the cross-reference table required by RSA 541-A:3-a, II as was done for the Initial Proposal. See Section 2.4 of Chapter 3 in the Manual.
- Item 11. An “Incorporation by Reference Statement” (Appendix II-H) if the agency has incorporated a third-party document or Internet content by reference for which such a statement is required pursuant to RSA 541-A: 12, III. See Section 3.12 of Chapter 4 in the Manual.
- Item 12. The text of the final proposal annotated to reflect how the text of the Final Proposal differs from the text of the Initial Proposal, if the text has changed during the public hearing and comment process. See RSA 541-A:12, II(e) and Section 5.4 of Chapter 4 in the Manual.
- Item 13. The amended fiscal impact statement obtained from the Legislative Budget Assistant if, as a result of the public hearing and comment process, a change has been made to the rule which affects the original fiscal impact statement. See RSA 541-A:5, VI and Section 2.11 of Chapter 3 in the Manual.

**Readopt Puc 700, effective 3/25/05 (Document No. 8312), to read as follows:**

CHAPTER Puc 700 RULES FOR SEWER UTILITIES

PART Puc 701 APPLICATION OF RULES

Puc 701.01 Application of Rules. These rules shall apply to every utility as defined in Puc 702.09.

PART Puc 702 DEFINITIONS

Puc 702.01 "Commission" means the New Hampshire public utilities commission.

Puc 702.02 "Customer" means any person, firm, corporation, municipality or any other entity being supplied sewage disposal service by a utility.

Puc 702.03 "Main" means a sewage pipe owned, operated, or maintained by a utility which is used to transport sewage from the service pipe to the point of disposal.

Puc 702.04 "Septic pumping" means the removal of sludge and scum from a septic or holding tank system for transport to appropriate disposal facilities.

Puc 702.05 "Service pipe" means the utility-owned pipe used to transport sewage from the customer-owned service pipe to the main.

Puc 702.06 "Sewage" means ground garbage, human or animal excretions and all other waterborne waste normally disposed of by residential, industrial, or commercial facilities through a sanitary sewage disposal system excluding solid waste, industrial waste and septic pumping.

Puc 702.07 "Sewage disposal service" means the collection, transportation, treatment, and disposal of sewage including but not limited to the active processing of sewage to remove impurities and its ultimate discharge in the environment. This definition does not include septic pumping.

Puc 702.08 "Sewage disposal system" means the plant and property, including all pipes, pumps, structures and other facilities and equipment owned, operated, and controlled or managed by a utility in connection with the sewage disposal service to its customers.

Puc 702.09 "Utility" means any "public utility" as defined in RSA 362:2 owning, operating or managing any plant or equipment or any part of the same for the furnishing of sewage disposal for the public except:

- (a) Municipal corporations operating within their corporate limits;
- (b) Municipal corporations which are exempt pursuant to RSA 362:4, to the extent of such exemption;
- (c) Any landlord supplying sewage disposal service to its tenants which service is included in a rental fee;
- (d) Any association of residents supplying sewage disposal service to themselves; or
- (e) Any other entity otherwise exempt from regulation by statute or commission order.

Puc 702.10 "Water utility" means any "public utility" as defined in RSA 362:2 owning, operating or managing any plant or equipment or any part of the same for supplying of water to the public, or engaged in the transmission or sale of water ultimately sold to the public within New Hampshire.

#### PART Puc 703 SERVICE PROVISIONS

Puc 703.01 Filing of Tariffs. No utility shall render sewage disposal service until a complete tariff containing terms and conditions and rate schedules shall have been filed and approved by the commission according to Puc 1600.

##### Puc 703.02 Customer Bill Adjustments.

(a) Where the sewage disposal service to a customer is billed on the basis of metered water consumption as measured by the water meter of the serving water utility, and where the water meter is found to be inaccurate, the customer's sewer bill shall be adjusted accordingly, following the corresponding rules for adjusting the customer's water bill contained in Puc 605.05.

(b) Where the sewage utility service to a customer is measured by the sewage meter of the serving sewage utility, and where the meter is found to be inaccurate, the customer's bill shall be adjusted accordingly, following the corresponding rules set out at Puc 605.05 for adjusting the customer's water bill.

##### Puc 703.03 Discontinuance of Service.

- (a) Sewer service shall not be disconnected due to nonpayment.
- (b) Sewer utilities may, however, contract with the serving water utility to discontinue water service for nonpayment of sewer utility bills.
- (c) If the utility is a combined water and sewer utility, it may discontinue water service for nonpayment of sewer bills. Discontinuance of service by either a water utility or a combined water and sewer utility shall be carried out in accordance with Puc 1203.11.

(d) The contract between the sewer and water utilities shall contain specific provisions regarding responsibilities involving notice of termination, termination, reconnection, and provision for fair and reasonable compensation based on the actual cost to the water utility of providing such service.

(e) Compensation referred to in (d) above shall be based on disconnection and reconnection charges in the water utility's tariff or as otherwise agreed to by the parties.

(f) The contract between the water utility and the sewer utility shall be submitted to the commission pursuant to Puc 204 and approved by the commission pursuant to the criteria contained in Puc 1203.11 prior to any termination of service in accordance with its provisions so that each company is treated in a just and reasonable manner as provided in RSA 378:28.

(g) The sewer utility shall send written notice to the customer of its intent to request the termination of its water service pursuant to the requirements contained in and referenced in Puc 1203.11 (b).

(h) One working day prior to the chosen disconnect date the sewer utility shall contact the water utility with which it has contracted for disconnection to confirm the need for disconnection.

(i) The sewer utility shall notify the water utility with which the sewer utility has contracted for disconnection when the cause for disconnection has been removed. Upon receipt of such notice the water utility shall restore water service pursuant to Puc 1203.13 (c) and (d).

(j) Reconnection of water service which has been terminated for nonpayment of sewer bills shall be subject to the fees of both the water utility and the sewer utility involved as provided in their respective tariffs or as otherwise agreed to by the parties as provided in (e) above.

(k) A utility shall not charge for reconnection of service when the cause for disconnection was not in compliance with this section or with applicable provisions of Puc 1203.11.

Puc 703.04 Customer Relations. Each utility shall comply with rules governing provision of service to customers contained in Puc 1200, uniform administration of utility customer relations.

## PART Puc 704 QUALITY OF SERVICE

### Puc 704.01 Effluent Standards.

(a) The utility shall not receive for treatment or allow the discharge into the sewage disposal system any of the following:

- (1) Any substance of a type or quality or in a quantity which would impair its ability to render sewer service;
- (2) Any substance which is not sewage, including but not limited to the following:
  - a. Solid waste;
  - b. Corrosive or toxic industrial waste;

- c. Flammable or explosive materials;
- d. Rainwater from roofs, streets, or other areas;
- e. Storm or surface water; and
- f. Ground water from foundation drains; and

(3) Any substance prohibited by the United States Environmental Protection Agency, the New Hampshire department of environmental services, the utility's tariff or any applicable municipal ordinance.

Puc 704.02 Cross-Connections.

(a) No physical connection shall be permitted, except as provided in (b) below, including but not limited to connections of the following types:

- (1) Between one sewer system and another;
- (2) Between a sewer system and a stream; or
- (3) Between a sewer system and a public or private water supply.

(b) This section shall not prohibit a utility which has received all federal, state and municipal approval in connection therewith, from:

- (1) Discharging treated effluent from a sewage treatment facility in accordance with such approvals; or
- (2) Transmitting sewage from one sewer system to another, in accordance with such approvals, for treatment.

Puc 704.03 Interruptions of Service.

(a) Each utility shall use all reasonable means to avoid interruptions to service.

(b) Should interruption of service occur, the utility shall re-establish service within the shortest time practicable, consistent with safety.

PART Puc 705 EQUIPMENT AND FACILITIES

Puc 705.01 Construction and Maintenance. Each utility shall construct, install, operate, and maintain its plant, structures, equipment, and mains in accordance with good engineering practice, and in such manner to best accommodate the public, and to prevent interference with service furnished by other underground or above ground facilities, including electric, telephone, water, gas or steam equipment or facilities, insofar as practical.

PART Puc 706 RECORDS, REPORTS AND ACCOUNTING REQUIREMENTS

Puc 706.01 Station Records. Each utility shall keep sufficient records of the operation of its pumping, treatment, and other units to show the characteristics and performance of each.

Puc 706.02 System Maps.

(a) Each utility shall have on file at its principal office located within New Hampshire a suitable map, maps, or drawings showing the following:

- (1) Size, character and location of all mains, service pipes, including disposal points, and manholes;
- (2) Location and layout of all treatment plants and pumping stations; and
- (3) Description of service area.

(b) In lieu of showing service locations on maps, referred to in (a)(1) above, a card record or other suitable means may be used.

Puc 706.03 Preservation of Records.

(a) All records shall be preserved by the utility for a period of 2 years unless otherwise designated herein or by the commission's rules governing the preservation of records, including, but not limited to, Puc 706.05(b).

(b) All records shall be kept within New Hampshire at the office or offices of the utility and shall be open at all reasonable hours for examination by the commission.

Puc 706.04 Reports to Commission.

(a) The utility shall furnish the commission with any information concerning the utility's facilities or operations which the commission shall request and need for determining rates, judging the practices of the utility or determining whether the service provided and facilities used are reasonably safe and adequate.

(b) Each utility shall file periodic reports with the commission as required by Puc 708 on forms, as required by Puc 708, which shall be furnished by the commission upon request.

Puc 706.05 Uniform System of Accounts for Accounting Records.

(a) Each utility shall maintain its accounts and records in conformity with the "Uniform Classification of Accounts for Sewer Utilities" established and issued by the commission as a uniform system of accounts pursuant to RSA 374:8.

(b) Each utility shall keep and preserve all accounts and records as provided in the "Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities Regulation" issued by the National Association of Regulatory Utility Commissioners, which is established and designated by the commission as part of its uniform system of accounts pursuant to RSA 374:8.



Puc 706.06 Work Order and Continuing Property Records. Each utility shall maintain a work order system and continuing property records according to the "Uniform Classification of Accounts for Sewer Utilities" and shall provide the commission access to such records when requested.

Puc 706.07 Short Term Debt. No utility shall issue or renew any notes, bonds or other evidence of indebtedness payable less than 12 months after the date thereof without prior commission approval pursuant to Puc 201.05 if said short term debt exceeds 10% of the utility's net fixed plant.

## PART Puc 707 SAFETY

### Puc 707.01 Safety Instructions.

(a) Each utility shall adopt comprehensive instructions for the safety of employees in regard to the operation, construction, and maintenance of its plant and facilities.

(b) Each utility shall institute practices and programs to establish that its employees have been properly informed of safe practices and are cognizant of all hazards involved, including those involving exposure to hazardous atmospheres.

### Puc 707.02 Resuscitation.

(a) Each utility shall institute and maintain a program instructing its employees engaged in electrical work or work in hazardous atmospheres, such as in-ground pump stations or meter vaults, in safety procedures for resuscitation emergencies.

(b) The utility shall furnish copies of the relevant safety procedures to each such employee.

### Puc 707.03 Accidents.

(a) Each utility shall report to the commission as soon as possible after each accident occurring in connection with the operation of its property, facilities, or services, wherein any person shall have been killed or seriously injured or whereby serious property damage has been caused.

(b) The first report of an accident may be preliminary, but, if so, shall be followed by as full a statement as possible of the cause and details of the accident and the precautions taken, if any, to prevent recurrence.

(c) Accidents resulting in slight injuries which do not incapacitate the person injured from active work for more than 6 days in the aggregate during the 10 days immediately following the injury shall not be required to be reported.

(d) The utility shall report to the commission on form E-5, "NHPUC Accident Report Form", described in Puc 708.01, any accident related to its utility operations which is not a slight accident as described in (c) above.

Puc 707.04 Commission Inspection. The commission shall from time to time inspect the works and system of each utility and the manner in which it has conformed and presently conforms to statutes and commission rules and orders.

#### PART Puc 708 FORMS TO BE FILED

##### Puc 708.01 E-5 - Utility Accident Report.

(a) Each utility shall file a completed "NHPUC Accident Report Form" within 10 working days of when a utility accident, as described in Puc 707.03 (a) and (c), occurs.

(b) Each utility shall include the following on the "NHPUC Accident Report Form":

- (1) The report number, date and name and address of the utility;
- (2) The date and the location of the accident and the time of discovery;
- (3) A description of the person injured including:
  - a. Name;
  - b. Age;
  - c. Residence;
  - d. Employer; and
  - e. Status of injured person, whether employee, person under contract, invitee, licensee, trespasser or other;
- (4) A description of the injury, current condition, duration of disability and, if applicable, anticipated return to work date;
- (5) A description of the cause and manner of the accident;
- (6) If applicable, the cause of death and previous accident report number of the report filed prior to the death;
- (7) The designation of any federal or state statute violated, if applicable;
- (8) A recommendation for guarding against repetition of the accident; and
- (9) The signature of a utility official authorized to submit the form and printed name and the title of the official.

##### Puc 708.02 E-16 Report of Meter Complaint Tests.

(a) Each utility shall report to the commission on Form E-16 on a monthly basis if water or sewer meter complaints occur, the former if the sewage service is being measured by the water meter.

(b) A utility shall include on form E-16 the following:

- (1) The name of the company;

- (2) The month of report;
- (3) The customer's name and address;
- (4) The meter manufacturer, model number, company number, type, and size;
- (5) The percent of registration of meters that are fast and percent of registration that are slow;
- (6) If a bill adjustment occurs, the amount refunded or collected and the period covered by the bill adjustment;
- (7) The date; and
- (8) The signature of the utility official authorized to submit the form and, the printed name and the title of the official.

Puc 708.03 E-22 Report of Proposed Expenditures for Additions, Extensions and Capital Improvements to Fixed Capital.

(a) Except as provided in (i) below, each utility shall file an annual report of proposed expenditures for addition, extensions and capital improvements to fixed capital on or before May 15 of each year.

(b) If the utility creates its own Form E-22, ~~The~~ report shall include a caption identifying the report as “E-22 Report of Proposed Expenditures for Additions, Extensions and Capital Improvements to Fixed Capital” along with the name of the utility filing the report.

(c) The utility shall report the following on Form E-22 with respect to any proposed expenditures for additions, extensions and capital improvements which meet the conditions of (d) below:

- (1) A description of the addition, extension or capital improvement;
- (2) The location of the proposed addition, extension or capital improvement;
- (3) The total estimated cost of the proposed addition, extension or improvement by work category; and
- (4) The signature, full name and title of the utility employee who supervised the preparation of the report.

(d) Each utility shall report to the commission when the probable cost of any addition, extension or capital improvement to its utility plant will exceed the reportable amounts shown in Table 7.8.1 below:

Table 7.8.1 Reportable Amounts by Utility Plant Range

UTILITY PLANT RANGE	REPORTABLE AMOUNT
\$400,000 and under	\$ 5,000
400,001 to \$1,000,000	10,000
1,000,001 to 2,000,000	15,000

2,000,001 to 3,000,000	22,500
3,000,001 to 50,000,000	30,000
50,000,001 to 100,000,000	50,000
100,000,001 and over	100,000

(e) The reportable amount shall be based on the gross fixed capital, as of December 31st of the calendar year immediately preceding, of each core stand-alone or satellite system with an independent source of supply.

(f) Companies with more than \$10,000,000 in fixed capital may use the next higher reporting limit for their satellite systems.

(g) The reporting limits shall apply to total project cost including contributions in aid of construction.

(h) For purposes of (d) above, reporting to the commission shall consist of:

- (1) A completed E-22 form; or
- (2) With written approval of the commission pursuant to (i) below, a construction budget.

(i) The commission shall accept a construction budget in place of individual E-22 forms if the proposed budget:

- (1) Highlights all projects above the utility's reporting limit;
- (2) Contains a level of detail appropriate to the expenditures anticipated and to identification of potential project-specific issues; and
- (3) Covers a period of no longer than one year.

(j) A utility shall file an original and duplicate copy with the commission engineering department as follows:

- (1) An individual E-22 form no fewer than 30 days before starting actual construction or expenditure of funds; or
- (2) A construction budget no fewer than 60 days before starting actual construction or expenditure of funds.

(k) A utility may provide an additional copy of its filing and request that it be date-stamped and returned by the commission to confirm filing.

(l) If the cost of a project is anticipated to fall below the applicable reporting limit but later exceeds it, the utility shall immediately file an E-22 form at whatever time or phase of the project it becomes apparent the limit will be exceeded. This requirement shall include projects listed in a the construction budget but not highlighted in accordance with (i)(1) above.

(m) Investigation of or comment on a construction budget or E-22 by the commission or failure of the staff to identify prudence review issues as described in (n) below shall not constitute a final prudence review and the commission shall not be precluded from analyzing the merit of any expenditure in a future rate case.

(n) If a project not included in an approved construction budget arises which will exceed a utility's reporting limit, the utility shall file an E-22 form.

Puc 708.04 E-25 Report of Proposed Changes in Depreciation Rates.

(a) Each utility shall file Form E-25 when it proposes any change in depreciation rates.

(b) ~~A~~ If the utility creates its own Form E-25, the utility shall include on form E-25 a caption identifying it as "Form E-25 Report of Proposed Change in Depreciation Rates" and the following:

- (1) The name of the company;
- (2) The date;
- (3) The account number and title;
- (4) The estimated life, both present and proposed, in years;
- (5) The net salvage, both present and proposed, by percentage;
- (6) The depreciation rate, both present and proposed, by percentage;
- (7) The net annual change in dollars;
- (8) The reasons for the change; and
- (9) The signature, the printed full name and title of the utility employee who supervised the preparation of the form.

(c) A utility shall not implement any change in depreciation rates until the proposed change has been approved by the commission.

Puc 708.05 F-3 Pro Forma Income Statement at Present and Proposed Rates for Year Ended.

(a) Each utility which requests a rate increase shall file Form F-3 with the commission.

(b) If the utility creates its own Form F-3, the utility shall include on Form F-3 a caption identifying the report as "Form F-3 Pro Forma Income Statement," the name of the utility filing the report, and the following:

- (1) A breakdown of operating revenues and expenses for:
  - a. Actual year ended;
  - b. Adjustments and pro forma at present rates;
  - c. At proposed rates with additional requirements; and
  - d. Total requirements; ~~and~~

(c) Each utility which requests a rate increase shall file with the commission the following:

- (21) A calculation of rate base and calculation of rate of return;
- (32) A description, including a reproduction of actual required income and pro forma test period for rate base, rate of return, income required, adjusted net operating income, deficiency, tax effect and revenue deficiency;
- (43) A detailed schedule, explaining and showing how each pro forma adjustment was determined, of operating revenues and operating expenses, operating rents and net operating income for 12 months, the pro forma adjustments, test year as proformed, first preceding year and second preceding year;
- (54) A description of property taxes including the town, the period, the actual amount paid, the amount accrued, the amount not applicable to utility operations, proforma adjustments, proformed property taxes;
- (65) If a discount on property taxes was available, the company shall state such and shall include the rate, and whether or not the utility took advantage of the discount;
- (76) A description of payroll which shall describe accounts in operation, maintenance, construction, plant removal and other accounts specified for 12 months ending, pro forma adjustment and proformed to 12 months;
- (87) A balance sheet of assets and deferred charges which shall include sewer plant, other property, investments, current assets, deferred charges for 12 months ending, first preceding year, second preceding year, and test year average of monthly balance sheets;
- (98) A description of capitalization, long-term debt, current and accrued liabilities, deferred credits, reserves and contributions in aid of construction for 12 months ending, and first preceding year, second preceding year, and test year average of monthly balance sheets;
- (109) A description of plant held for future use, deferred charges, deferred credits, accumulated deferred taxes on income for each account or subaccount and accumulated depreciation;
- (140) A description of transmission and distribution inventory, appliance inventory, other materials and supplies for the test year average, first preceding year and the second preceding year;
- (121) A description of contributions in aid of construction, the name or year received, the actual amount, original amount booked and the annual depreciation taken on contributed capital;
- (132) A description of the utility's rate which shall include a description of each of the following:
  - a. Plant-in-service, less accumulated depreciation and plant held for future use to derive net utility plant;
  - b. Cash, working capital, materials and supplies, repayments, less deferred taxes, investment tax credits, customer deposits, and customer advances to determine net operating income applicable to rate base; and

c. Rate of return for jurisdictional proforma test year average, jurisdiction 13 month average, total proformed test year average, and total 13 month average;

(14~~3~~) A description of and accounting of working capital which shall be based upon the balance sheet approach or a detailed lag study; and

(15~~4~~) The signature, the printed full name and title of the utility employee who supervised the preparation of the Form.

Puc 708.06 F-4 Authority to Issue Securities.

(a) Each utility shall file form F-4 with the commission when it seeks authority to issue securities.

(b) A utility shall include on form F-4 the following:

(1) A petition which shall include:

a. A caption identifying the form as “Form F-4 Authority to Issue Securities” and the name of the company;

b. A description of authorized and outstanding long-term debt and capital stock;

c. The amount of short-term notes outstanding;

d. A clause giving a description and the amount of new securities, to whom issued, the interest rates if known and the date of the indenture mortgage under which the debt is to be issued;

e. A description of what the proceeds will be used for;

f. A list of exhibits attached to the petition;

g. A certification statement as contained in (d) below; and

h. The petitioner's prayer asking for the relief requested;

(2) Exhibit 1, application for leave to issue securities pursuant to RSA 369:3 including a statement in reasonable detail of any proposed additions, construction or working capital requirements together with any proposed construction budget;

(3) Exhibit 2, providing a statement showing the estimated cost of financing including, for example, legal costs, printing, documentary tax, trustee services, and financial services;

(4) Exhibit 3, consisting of a current balance sheet adjusted for financing with journal entries and explanations for actual, adjustments, and as adjusted;

(5) Exhibit 4, consisting of a current income statement adjusted for financing including new interest, depreciation and taxes with entries for actual, adjustments and as adjusted;

(6) Exhibit 5, consisting of a statement of capitalization ratios after giving effect to the proposed financing;

(7) Exhibit 6, consisting of a copy of the purchase and sale agreement for long-term financing including any letter of commitment from a lender stating the details of financing;

(8) Exhibit 7, copy of the mortgage indenture;

(9) Exhibit 8, consisting of a copy of terms of the new common or preferred stock;

(10) Appropriate authorizing resolution of petitioner's stockholders or other group or body whose consent is necessary to authorize the petitioner to enter into the new financing; and

(11) An original and 7 copies of the petition and exhibits.

(c) By submitting or signing a form F-4 petition, the persons shall agree to comply with the certification requirement as set forth in (d) below.

(d) Each utility shall provide, in connection with a form F-4 "Petition for Authority to Issue Securities", a certification which shall provide as follows:

"The petitioner utility company believes and, therefore, alleges that the securities to be issued will be consistent with public good and that it is entitled to issue said securities under RSA 369 for the purposes set forth in its petition."

Puc 708.07 F-16-Sewer Annual Report.

(a) Each utility which maintains its books on a calendar year basis shall file a completed "Annual Report" with the commission annually on or before March 31st.

(b) Each utility which maintains its books on a fiscal year which does not coincide with a calendar year shall file a completed "Annual Report" with the commission no later than 90 days following the close of each fiscal year.

(c) Each utility shall include the following on form F-16:

(1) General information about the utility, its origin, number of customers, address of principal office, areas served;

(2) List of officers, compensation, residence, and a list of directors, residence, length of term, term expiration date and fees;

(3) Shareholders and voting power schedule showing major shareholders' number of votes, breakdown of shares;

(4) Schedule of payments to individuals with a breakdown of names, addresses, and amounts;

(5) Schedule of management fees and expenses with a breakdown of said fees distribution into account numbers;

(6) Balance sheet showing assets and liabilities showing the decrease or increase over previous year;

(7) Fixed capital showing additions, retirements, and adjustments made during the year;



- (8) Schedule of investments in affiliates and miscellaneous investments with description of investment, breakdown of stock and book value at end of year;
- (9) Funds schedule with fund and how invested, additions during year, balance at end of year, prepayments schedule and a listing of acquired securities with description of security, date acquired, par or face value and cost;
- (10) Materials and supplies schedule with breakdown into classification, beginning and end of year balances and increase or decrease over previous year;
- (11) Accounts receivable schedule and receivables from affiliated companies schedule showing proper changes during year;
- (12) Unamortized debt discount and expense with changes during year and year end balance and a schedule of dividends declared during year;
- (13) Notes payable schedule with breakdown of payees, balances and interest and a schedule of notes payable to affiliated companies with the same breakdown;
- (14) Capital stock account with a description of said stocks and a long term debt schedule;
- (15) Miscellaneous reserves, miscellaneous unadjusted credit schedules each showing transactions during year and beginning and year end balances;
- (16) Tax schedule and the apportionment to each class;
- (17) Depreciation reserve showing transactions during the year;
- (18) Annual depreciation charge with a breakdown into class, basis, rate, and amount;
- (19) Capital surplus earned surplus and miscellaneous suspense accounts showing debits and credits for the year;
- (20) Income statement with the proper breakdown showing totals and increase or decrease over previous year;
- (21) Operating revenues and expenses showing breakdown of service revenue into the various classes with the number of customers and increase or decrease over previous year;
- (22) Schedule of operation and maintenance showing changes over previous year;
- (23) Schedule of operating revenues and expenses showing revenue received and increase or decrease over prior year;
- (24) Analysis of sales and new business expenses showing total appliance sales job work sales and new business;
- (25) Donations and gifts schedule showing distribution of the money into accounts;
- (26) Detail of fuel account throughout the year, summary of sewage flows, and a schedule of revenue by sales;

(27) Plant statistics relative to pumping equipment, treatment facilities and distribution system; and

(28) Certification as described in (d) below.

(d) Each utility shall complete, properly execute under oath and submit a certification form as part of its "Annual Report", which provides as follows:

"We, on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers and records of said utility, that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said utility, in respect to each and every matter and thing therein set forth to the best of our knowledge, information and belief; and that the accounts and figures contained in the foregoing report embrace all of the financial operations of said utility during the period for which said report is made."

(e) The certification set forth in (d) above shall be subscribed and sworn to under oath by the utility by its president or other chief officer and by its treasurer or other officer in charge of accounts whose signatures shall be notarized as a sworn statement before a notary official in conformance with New Hampshire law.

(f) By submitting or signing the "Annual Report", the person submitting the form, on behalf of themselves and the utility, thereby agree to comply with the certification statement set forth in (d) above.

(g) Each utility shall comply with the electronic filing requirement regarding the "Annual Report" form as provided in Puc 708.09.

Puc 708.08 F-22 Information Sheet.

(a) Each utility shall file Form F-22:

(1) Annually; and

(2) Whenever any changes occur to the information included in the form F-22 filing.

(b) Each utility shall include the following on form F-22:

(1) The name of the utility;

(2) The person's name and address to receive the annual report form;

(3) The person's name and address to receive the utility assessment tax;

(4) The names and titles of the principal officers of the company; and

(5) The signature, the printed full name and title of the utility employee who supervised the preparation of the form.

Puc 708.09 Electronic Filing Requirement, Annual Report.

(a) "Electronic filing" or "file electronically" means the filing with the commission of an electronic version of a document or form.

(b) Each utility shall, in addition to filing a completed and executed “Annual Report” in paper as required by Puc 708.07, electronically file with the commission a completed “Annual Report” form in a format compatible with the computer system of the commission.

(c) The commission shall notify utilities on no less frequently than an annual basis of the types of electronic formats compatible with its computer system and shall post the list of such formats on its website.

(d) Any sewer utility serving fewer than 600 customers shall be exempt from the requirements of this section.

(e) Any utility may petition for a one year waiver from the electronic filing requirement pursuant to the waiver provisions of Puc 201.05.

(f) In its application for a waiver under (e) above, a utility shall describe and provide evidence to demonstrate that:

(1) It does not have the computer capability to generate electronic reports or filings due to the small size of its overall operations or its lack of computer equipment and/or expertise; or

(2) Its existing available computer systems are not compatible with the computer systems of the commission and because of this incompatibility it would be prohibitively expensive or cumbersome to file electronically; or

(3) Other circumstances would make electronic filing prohibitively expensive or cumbersome.

(g) The commission shall issue a waiver under (e) and (f) above if it determines that the burden on the utility of electronic filing outweighs the benefit to the administrative process.

(h) The commission shall make available to each utility upon request an electronic version of the "Annual Report" form when the commission has prepared and has available an electronic version.

**Appendix**

<b>Rule</b>	<b>Specific State Statute the Rule Implements</b>
Puc 701.01 - 702.10	RSA 365:8, XII
Puc 703.01	RSA 365:8, XII, 374:15
Puc 703.02	RSA 365:8, XII, 370:7
Puc 703.03 - 703.04	RSA 365:8, XII, 374:3; 370:2
Puc 704.01 - 704.03	RSA 365:8, XII, 370:2
Puc 705.01	RSA 365:8, XII, 374:3
Puc 706.01 - 706.04	RSA 365:8, XII, 374:4, 13
Puc 706.05 - 706.07	RSA 365:8, XII, 369:1,3; 374:13
Puc 707.01 - 707.04	RSA 365:8, XII, 374:37-39; 374:3, 4
Puc 708.01	RSA 365:8, XII, 374:39
Puc 708.02	RSA 365:8, XII, 370:2-5
Puc 708.03	RSA 365:8, XII, 374:5, 13, 15
Puc 708.04	RSA 365:8, XII, 374:4
Puc 708.05	RSA 365:8, XII, 374:2; 378:3
Puc 708.06	RSA 365:8, XII, 369:1, 3
Puc 708.07	RSA 365:8, XII, 374:4; 374:13
Puc 708.08 - 708.09	RSA 365:8, XII

**Readopt Puc 700, effective 3/25/05 (Document No. 8312), to read as follows:**

CHAPTER Puc 700 RULES FOR SEWER UTILITIES

PART Puc 701 APPLICATION OF RULES

Puc 701.01 Application of Rules. These rules shall apply to every utility as defined in Puc 702.09.

PART Puc 702 DEFINITIONS

Puc 702.01 "Commission" means the New Hampshire public utilities commission.

Puc 702.02 "Customer" means any person, firm, corporation, municipality or any other entity being supplied sewage disposal service by a utility.

Puc 702.03 "Main" means a sewage pipe owned, operated, or maintained by a utility which is used to transport sewage from the service pipe to the point of disposal.

Puc 702.04 "Septic pumping" means the removal of sludge and scum from a septic or holding tank system for transport to appropriate disposal facilities.

Puc 702.05 "Service pipe" means the utility-owned pipe used to transport sewage from the customer-owned service pipe to the main.

Puc 702.06 "Sewage" means ground garbage, human or animal excretions and all other waterborne waste normally disposed of by residential, industrial, or commercial facilities through a sanitary sewage disposal system excluding solid waste, industrial waste and septic pumping.

Puc 702.07 "Sewage disposal service" means the collection, transportation, treatment, and disposal of sewage including but not limited to the active processing of sewage to remove impurities and its ultimate discharge in the environment. This definition does not include septic pumping.

Puc 702.08 "Sewage disposal system" means the plant and property, including all pipes, pumps, structures and other facilities and equipment owned, operated, and controlled or managed by a utility in connection with the sewage disposal service to its customers.

Puc 702.09 "Utility" means any "public utility" as defined in RSA 362:2 owning, operating or managing any plant or equipment or any part of the same for the furnishing of sewage disposal for the public except:

(a) Municipal corporations operating within their corporate limits;

(b) Municipal corporations which are exempt pursuant to RSA 362:4, to the extent of such exemption;

(c) Any landlord supplying sewage disposal service to its tenants which service is included in a rental fee;

(d) Any association of residents supplying sewage disposal service to themselves; or

(e) Any other entity otherwise exempt from regulation by statute or commission order.

Puc 702.10 "Water utility" means any "public utility" as defined in RSA 362:2 owning, operating or managing any plant or equipment or any part of the same for supplying of water to the public, or engaged in the transmission or sale of water ultimately sold to the public within New Hampshire.

#### PART Puc 703 SERVICE PROVISIONS

Puc 703.01 Filing of Tariffs. No utility shall render sewage disposal service until a complete tariff containing terms and conditions and rate schedules shall have been filed and approved by the commission according to Puc 1600.

##### Puc 703.02 Customer Bill Adjustments.

(a) Where the sewage disposal service to a customer is billed on the basis of metered water consumption as measured by the water meter of the serving water utility, and where the water meter is found to be inaccurate, the customer's sewer bill shall be adjusted accordingly, following the corresponding rules for adjusting the customer's water bill contained in Puc 605.05.

(b) Where the sewage utility service to a customer is measured by the sewage meter of the serving sewage utility, and where the meter is found to be inaccurate, the customer's bill shall be adjusted accordingly, following the corresponding rules set out at Puc 605.05 for adjusting the customer's water bill.

##### Puc 703.03 Discontinuance of Service.

(a) Sewer service shall not be disconnected due to nonpayment.

(b) Sewer utilities may, however, contract with the serving water utility to discontinue water service for nonpayment of sewer utility bills.

(c) If the utility is a combined water and sewer utility, it may discontinue water service for nonpayment of sewer bills. Discontinuance of service by either a water utility or a combined water and sewer utility shall be carried out in accordance with Puc 1203.11.

(d) The contract between the sewer and water utilities shall contain specific provisions regarding responsibilities involving notice of termination, termination, reconnection, and provision for fair and reasonable compensation based on the actual cost to the water utility of providing such service.

(e) Compensation referred to in (d) above shall be based on disconnection and reconnection charges in the water utility's tariff or as otherwise agreed to by the parties.

(f) The contract between the water utility and the sewer utility shall be submitted to the commission pursuant to Puc 204 and approved by the commission pursuant to the criteria

contained in Puc 1203.11 prior to any termination of service in accordance with its provisions so that each company is treated in a just and reasonable manner as provided in RSA 378:28.

(g) The sewer utility shall send written notice to the customer of its intent to request the termination of its water service pursuant to the requirements contained in and referenced in Puc 1203.11 (b).

(h) One working day prior to the chosen disconnect date the sewer utility shall contact the water utility with which it has contracted for disconnection to confirm the need for disconnection.

(i) The sewer utility shall notify the water utility with which the sewer utility has contracted for disconnection when the cause for disconnection has been removed. Upon receipt of such notice the water utility shall restore water service pursuant to Puc 1203.13 (c) and (d).

(j) Reconnection of water service which has been terminated for nonpayment of sewer bills shall be subject to the fees of both the water utility and the sewer utility involved as provided in their respective tariffs or as otherwise agreed to by the parties as provided in (e) above.

(k) A utility shall not charge for reconnection of service when the cause for disconnection was not in compliance with this section or with applicable provisions of Puc 1203.11.

Puc 703.04 Customer Relations. Each utility shall comply with rules governing provision of service to customers contained in Puc 1200, uniform administration of utility customer relations.

## PART Puc 704 QUALITY OF SERVICE

### Puc 704.01 Effluent Standards.

(a) The utility shall not receive for treatment or allow the discharge into the sewage disposal system any of the following:

- (1) Any substance of a type or quality or in a quantity which would impair its ability to render sewer service;
- (2) Any substance which is not sewage, including but not limited to the following:
  - a. Solid waste;
  - b. Corrosive or toxic industrial waste;
  - c. Flammable or explosive materials;
  - d. Rainwater from roofs, streets, or other areas;
  - e. Storm or surface water; and
  - f. Ground water from foundation drains; and
- (3) Any substance prohibited by the United States Environmental Protection Agency, the New Hampshire department of environmental services, the utility's tariff or any applicable municipal ordinance.

Puc 704.02 Cross-Connections.

(a) No physical connection shall be permitted, except as provided in (b) below, including but not limited to connections of the following types:

- (1) Between one sewer system and another;
- (2) Between a sewer system and a stream; or
- (3) Between a sewer system and a public or private water supply.

(b) This section shall not prohibit a utility which has received all federal, state and municipal approval in connection therewith, from:

- (1) Discharging treated effluent from a sewage treatment facility in accordance with such approvals; or
- (2) Transmitting sewage from one sewer system to another, in accordance with such approvals, for treatment.

Puc 704.03 Interruptions of Service.

(a) Each utility shall use all reasonable means to avoid interruptions to service.

(b) Should interruption of service occur, the utility shall re-establish service within the shortest time practicable, consistent with safety.

PART Puc 705 EQUIPMENT AND FACILITIES

Puc 705.01 Construction and Maintenance. Each utility shall construct, install, operate, and maintain its plant, structures, equipment, and mains in accordance with good engineering practice, and in such manner to best accommodate the public, and to prevent interference with service furnished by other underground or above ground facilities, including electric, telephone, water, gas or steam equipment or facilities, insofar as practical.

PART Puc 706 RECORDS, REPORTS AND ACCOUNTING REQUIREMENTS

Puc 706.01 Station Records. Each utility shall keep sufficient records of the operation of its pumping, treatment, and other units to show the characteristics and performance of each.

Puc 706.02 System Maps.

(a) Each utility shall have on file at its principal office located within New Hampshire a suitable map, maps, or drawings showing the following:

- (1) Size, character and location of all mains, service pipes, including disposal points, and manholes;
- (2) Location and layout of all treatment plants and pumping stations; and
- (3) Description of service area.



(b) In lieu of showing service locations on maps, referred to in (a)(1) above, a card record or other suitable means may be used.

Puc 706.03 Preservation of Records.

(a) All records shall be preserved by the utility for a period of 2 years unless otherwise designated herein or by the commission's rules governing the preservation of records, including, but not limited to, Puc 706.05(b).

(b) All records shall be kept within New Hampshire at the office or offices of the utility and shall be open at all reasonable hours for examination by the commission.

Puc 706.04 Reports to Commission.

(a) The utility shall furnish the commission with any information concerning the utility's facilities or operations which the commission shall request and need for determining rates, judging the practices of the utility or determining whether the service provided and facilities used are reasonably safe and adequate.

(b) Each utility shall file periodic reports with the commission as required by Puc 708 on forms, as required by Puc 708, which shall be furnished by the commission upon request.

Puc 706.05 Uniform System of Accounts for Accounting Records.

(a) Each utility shall maintain its accounts and records in conformity with the "Uniform Classification of Accounts for Sewer Utilities" established and issued by the commission as a uniform system of accounts pursuant to RSA 374:8.

(b) Each utility shall keep and preserve all accounts and records as provided in the "Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities Regulation" issued by the National Association of Regulatory Utility Commissioners, which is established and designated by the commission as part of its uniform system of accounts pursuant to RSA 374:8.

Puc 706.06 Work Order and Continuing Property Records. Each utility shall maintain a work order system and continuing property records according to the "Uniform Classification of Accounts for Sewer Utilities" and shall provide the commission access to such records when requested.

Puc 706.07 Short Term Debt. No utility shall issue or renew any notes, bonds or other evidence of indebtedness payable less than 12 months after the date thereof without prior commission approval pursuant to Puc 201.05 if said short term debt exceeds 10% of the utility's net fixed plant.

PART Puc 707 SAFETY

Puc 707.01 Safety Instructions.

(a) Each utility shall adopt comprehensive instructions for the safety of employees in regard to the operation, construction, and maintenance of its plant and facilities.

(b) Each utility shall institute practices and programs to establish that its employees have been properly informed of safe practices and are cognizant of all hazards involved, including those involving exposure to hazardous atmospheres.

Puc 707.02 Resuscitation.

(a) Each utility shall institute and maintain a program instructing its employees engaged in electrical work or work in hazardous atmospheres, such as in-ground pump stations or meter vaults, in safety procedures for resuscitation emergencies.

(b) The utility shall furnish copies of the relevant safety procedures to each such employee.

Puc 707.03 Accidents.

(a) Each utility shall report to the commission as soon as possible after each accident occurring in connection with the operation of its property, facilities, or services, wherein any person shall have been killed or seriously injured or whereby serious property damage has been caused.

(b) The first report of an accident may be preliminary, but, if so, shall be followed by as full a statement as possible of the cause and details of the accident and the precautions taken, if any, to prevent recurrence.

(c) Accidents resulting in slight injuries which do not incapacitate the person injured from active work for more than 6 days in the aggregate during the 10 days immediately following the injury shall not be required to be reported.

(d) The utility shall report to the commission on form E-5, "NHPUC Accident Report Form", described in Puc 708.01, any accident related to its utility operations which is not a slight accident as described in (c) above.

Puc 707.04 Commission Inspection. The commission shall from time to time inspect the works and system of each utility and the manner in which it has conformed and presently conforms to statutes and commission rules and orders.

PART Puc 708 FORMS TO BE FILED

Puc 708.01 E-5 - Utility Accident Report.

(a) Each utility shall file a completed "NHPUC Accident Report Form" within 10 working days of when a utility accident, as described in Puc 707.03 (a) and (c), occurs.

(b) Each utility shall include the following on the "NHPUC Accident Report Form":

- (1) The report number, date and name and address of the utility;
- (2) The date and the location of the accident and the time of discovery;
- (3) A description of the person injured including:

- a. Name;
  - b. Age;
  - c. Residence;
  - d. Employer; and
  - e. Status of injured person, whether employee, person under contract, invitee, licensee, trespasser or other;
- (4) A description of the injury, current condition, duration of disability and, if applicable, anticipated return to work date;
  - (5) A description of the cause and manner of the accident;
  - (6) If applicable, the cause of death and previous accident report number of the report filed prior to the death;
  - (7) The designation of any federal or state statute violated, if applicable;
  - (8) A recommendation for guarding against repetition of the accident; and
  - (9) The signature of a utility official authorized to submit the form and printed name and the title of the official.

Puc 708.02 E-16 Report of Meter Complaint Tests.

(a) Each utility shall report to the commission on Form E-16 on a monthly basis if water or sewer meter complaints occur, the former if the sewage service is being measured by the water meter.

(b) A utility shall include on form E-16 the following:

- (1) The name of the company;
- (2) The month of report;
- (3) The customer's name and address;
- (4) The meter manufacturer, model number, company number, type, and size;
- (5) The percent of registration of meters that are fast and percent of registration that are slow;
- (6) If a bill adjustment occurs, the amount refunded or collected and the period covered by the bill adjustment;
- (7) The date; and
- (8) The signature of the utility official authorized to submit the form and, the printed name and the title of the official.

Puc 708.03 E-22 Report of Proposed Expenditures for Additions, Extensions and Capital Improvements to Fixed Capital.

(a) Except as provided in (i) below, each utility shall file an annual report of proposed expenditures for addition, extensions and capital improvements to fixed capital on or before May 15 of each year.

(b) If the utility creates its own Form E-22, the report shall include a caption identifying the report as “E-22 Report of Proposed Expenditures for Additions, Extensions and Capital Improvements to Fixed Capital” along with the name of the utility filing the report.

(c) The utility shall report the following on Form E-22 with respect to any proposed expenditures for additions, extensions and capital improvements which meet the conditions of (d) below:

- (1) A description of the addition, extension or capital improvement;
- (2) The location of the proposed addition, extension or capital improvement;
- (3) The total estimated cost of the proposed addition, extension or improvement by work category; and
- (4) The signature, full name and title of the utility employee who supervised the preparation of the report.

(d) Each utility shall report to the commission when the probable cost of any addition, extension or capital improvement to its utility plant will exceed the reportable amounts shown in Table 7.8.1 below:

Table 7.8.1 Reportable Amounts by Utility Plant Range

UTILITY PLANT RANGE	REPORTABLE AMOUNT
\$400,000 and under	\$ 5,000
400,001 to \$1,000,000	10,000
1,000,001 to 2,000,000	15,000
2,000,001 to 3,000,000	22,500
3,000,001 to 50,000,000	30,000
50,000,001 to 100,000,000	50,000
100,000,001 and over	100,000

(e) The reportable amount shall be based on the gross fixed capital, as of December 31st of the calendar year immediately preceding, of each core stand-alone or satellite system with an independent source of supply.

(f) Companies with more than \$10,000,000 in fixed capital may use the next higher reporting limit for their satellite systems.

(g) The reporting limits shall apply to total project cost including contributions in aid of construction.

(h) For purposes of (d) above, reporting to the commission shall consist of:

(1) A completed E-22 form; or

(2) With written approval of the commission pursuant to (i) below, a construction budget.

(i) The commission shall accept a construction budget in place of individual E-22 forms if the proposed budget:

(1) Highlights all projects above the utility's reporting limit;

(2) Contains a level of detail appropriate to the expenditures anticipated and to identification of potential project-specific issues; and

(3) Covers a period of no longer than one year.

(j) A utility shall file an original and duplicate copy with the commission engineering department as follows:

(1) An individual E-22 form no fewer than 30 days before starting actual construction or expenditure of funds; or

(2) A construction budget no fewer than 60 days before starting actual construction or expenditure of funds.

(k) A utility may provide an additional copy of its filing and request that it be date-stamped and returned by the commission to confirm filing.

(l) If the cost of a project is anticipated to fall below the applicable reporting limit but later exceeds it, the utility shall immediately file an E-22 form at whatever time or phase of the project it becomes apparent the limit will be exceeded. This requirement shall include projects listed in the construction budget but not highlighted in accordance with (i)(1) above.

(m) Investigation of or comment on a construction budget or E-22 by the commission or failure of the staff to identify prudence review issues as described in (n) below shall not constitute a final prudence review and the commission shall not be precluded from analyzing the merit of any expenditure in a future rate case.

(n) If a project not included in an approved construction budget arises which will exceed a utility's reporting limit, the utility shall file an E-22 form.

Puc 708.04 E-25 Report of Proposed Changes in Depreciation Rates.

(a) Each utility shall file Form E-25 when it proposes any change in depreciation rates.

(b) If the utility creates its own Form E-25, the utility shall include on form E-25 a caption identifying it as "Form E-25 Report of Proposed Change in Depreciation Rates" and the following:

(1) The name of the company;

(2) The date;

(3) The account number and title;

(4) The estimated life, both present and proposed, in years;

- (5) The net salvage, both present and proposed, by percentage;
- (6) The depreciation rate, both present and proposed, by percentage;
- (7) The net annual change in dollars;
- (8) The reasons for the change; and
- (9) The signature, the printed full name and title of the utility employee who supervised the preparation of the form.

(c) A utility shall not implement any change in depreciation rates until the proposed change has been approved by the commission.

Puc 708.05 F-3 Pro Forma Income Statement at Present and Proposed Rates for Year Ended.

- (a) Each utility which requests a rate increase shall file Form F-3 with the commission.
- (b) If the utility creates its own Form F-3, the utility shall include on Form F-3 a caption identifying the report as “Form F-3 Pro Forma Income Statement,” the name of the utility filing the report, and the following:
  - (1) A breakdown of operating revenues and expenses for:
    - a. Actual year ended;
    - b. Adjustments and pro forma at present rates;
    - c. At proposed rates with additional requirements; and
    - d. Total requirements.
- (c) Each utility which requests a rate increase shall file with the commission the following:
  - (1) A calculation of rate base and calculation of rate of return;
  - (2) A description, including a reproduction of actual required income and pro forma test period for rate base, rate of return, income required, adjusted net operating income, deficiency, tax effect and revenue deficiency;
  - (3) A detailed schedule, explaining and showing how each pro forma adjustment was determined, of operating revenues and operating expenses, operating rents and net operating income for 12 months, the pro forma adjustments, test year as proformed, first preceding year and second preceding year;
  - (4) A description of property taxes including the town, the period, the actual amount paid, the amount accrued, the amount not applicable to utility operations, proforma adjustments, proformed property taxes;
  - (5) If a discount on property taxes was available, the company shall state such and shall include the rate, and whether or not the utility took advantage of the discount;

- (6) A description of payroll which shall describe accounts in operation, maintenance, construction, plant removal and other accounts specified for 12 months ending, pro forma adjustment and proformed to 12 months;
- (7) A balance sheet of assets and deferred charges which shall include sewer plant, other property, investments, current assets, deferred charges for 12 months ending, first preceding year, second preceding year, and test year average of monthly balance sheets;
- (8) A description of capitalization, long-term debt, current and accrued liabilities, deferred credits, reserves and contributions in aid of construction for 12 months ending, and first preceding year, second preceding year, and test year average of monthly balance sheets;
- (9) A description of plant held for future use, deferred charges, deferred credits, accumulated deferred taxes on income for each account or subaccount and accumulated depreciation;
- (10) A description of transmission and distribution inventory, appliance inventory, other materials and supplies for the test year average, first preceding year and the second preceding year;
- (11) A description of contributions in aid of construction, the name or year received, the actual amount, original amount booked and the annual depreciation taken on contributed capital;
- (12) A description of the utility's rate which shall include a description of each of the following:
  - a. Plant-in-service, less accumulated depreciation and plant held for future use to derive net utility plant;
  - b. Cash, working capital, materials and supplies, repayments, less deferred taxes, investment tax credits, customer deposits, and customer advances to determine net operating income applicable to rate base; and
  - c. Rate of return for jurisdictional proforma test year average, jurisdiction 13 month average, total proformed test year average, and total 13 month average;
- (13) A description of and accounting of working capital which shall be based upon the balance sheet approach or a detailed lag study; and
- (14) The signature, the printed full name and title of the utility employee who supervised the preparation of the Form.

Puc 708.06 F-4 Authority to Issue Securities.

- (a) Each utility shall file form F-4 with the commission when it seeks authority to issue securities.
- (b) A utility shall include on form F-4 the following:
  - (1) A petition which shall include:

- a. A caption identifying the form as “Form F-4 Authority to Issue Securities” and the name of the company;
- b. A description of authorized and outstanding long-term debt and capital stock;
- c. The amount of short-term notes outstanding;
- d. A clause giving a description and the amount of new securities, to whom issued, the interest rates if known and the date of the indenture mortgage under which the debt is to be issued;
- e. A description of what the proceeds will be used for;
- f. A list of exhibits attached to the petition;
- g. A certification statement as contained in (d) below; and
- h. The petitioner's prayer asking for the relief requested;

(2) Exhibit 1, application for leave to issue securities pursuant to RSA 369:3 including a statement in reasonable detail of any proposed additions, construction or working capital requirements together with any proposed construction budget;

(3) Exhibit 2, providing a statement showing the estimated cost of financing including, for example, legal costs, printing, documentary tax, trustee services, and financial services;

(4) Exhibit 3, consisting of a current balance sheet adjusted for financing with journal entries and explanations for actual, adjustments, and as adjusted;

(5) Exhibit 4, consisting of a current income statement adjusted for financing including new interest, depreciation and taxes with entries for actual, adjustments and as adjusted;

(6) Exhibit 5, consisting of a statement of capitalization ratios after giving effect to the proposed financing;

(7) Exhibit 6, consisting of a copy of the purchase and sale agreement for long-term financing including any letter of commitment from a lender stating the details of financing;

(8) Exhibit 7, copy of the mortgage indenture;

(9) Exhibit 8, consisting of a copy of terms of the new common or preferred stock;

(10) Appropriate authorizing resolution of petitioner's stockholders or other group or body whose consent is necessary to authorize the petitioner to enter into the new financing; and

(11) An original and 7 copies of the petition and exhibits.

(c) By submitting or signing a form F-4 petition, the persons shall agree to comply with the certification requirement as set forth in (d) below.

(d) Each utility shall provide, in connection with a form F-4 "Petition for Authority to Issue Securities", a certification which shall provide as follows:



"The petitioner utility company believes and, therefore, alleges that the securities to be issued will be consistent with public good and that it is entitled to issue said securities under RSA 369 for the purposes set forth in its petition."

Puc 708.07 F-16-Sewer Annual Report.

(a) Each utility which maintains its books on a calendar year basis shall file a completed "Annual Report" with the commission annually on or before March 31st.

(b) Each utility which maintains its books on a fiscal year which does not coincide with a calendar year shall file a completed "Annual Report" with the commission no later than 90 days following the close of each fiscal year.

(c) Each utility shall include the following on form F-16:

- (1) General information about the utility, its origin, number of customers, address of principal office, areas served;
- (2) List of officers, compensation, residence, and a list of directors, residence, length of term, term expiration date and fees;
- (3) Shareholders and voting power schedule showing major shareholders' number of votes, breakdown of shares;
- (4) Schedule of payments to individuals with a breakdown of names, addresses, and amounts;
- (5) Schedule of management fees and expenses with a breakdown of said fees distribution into account numbers;
- (6) Balance sheet showing assets and liabilities showing the decrease or increase over previous year;
- (7) Fixed capital showing additions, retirements, and adjustments made during the year;
- (8) Schedule of investments in affiliates and miscellaneous investments with description of investment, breakdown of stock and book value at end of year;
- (9) Funds schedule with fund and how invested, additions during year, balance at end of year, prepayments schedule and a listing of acquired securities with description of security, date acquired, par or face value and cost;
- (10) Materials and supplies schedule with breakdown into classification, beginning and end of year balances and increase or decrease over previous year;
- (11) Accounts receivable schedule and receivables from affiliated companies schedule showing proper changes during year;
- (12) Unamortized debt discount and expense with changes during year and year end balance and a schedule of dividends declared during year;
- (13) Notes payable schedule with breakdown of payees, balances and interest and a schedule of notes payable to affiliated companies with the same breakdown;
- (14) Capital stock account with a description of said stocks and a long term debt schedule;
- (15) Miscellaneous reserves, miscellaneous unadjusted credit schedules each showing transactions during year and beginning and year end balances;

- (16) Tax schedule and the apportionment to each class;
- (17) Depreciation reserve showing transactions during the year;
- (18) Annual depreciation charge with a breakdown into class, basis, rate, and amount;
- (19) Capital surplus earned surplus and miscellaneous suspense accounts showing debits and credits for the year;
- (20) Income statement with the proper breakdown showing totals and increase or decrease over previous year;
- (21) Operating revenues and expenses showing breakdown of service revenue into the various classes with the number of customers and increase or decrease over previous year;
- (22) Schedule of operation and maintenance showing changes over previous year;
- (23) Schedule of operating revenues and expenses showing revenue received and increase or decrease over prior year;
- (24) Analysis of sales and new business expenses showing total appliance sales job work sales and new business;
- (25) Donations and gifts schedule showing distribution of the money into accounts;
- (26) Detail of fuel account throughout the year, summary of sewage flows, and a schedule of revenue by sales;
- (27) Plant statistics relative to pumping equipment, treatment facilities and distribution system; and
- (28) Certification as described in (d) below.

(d) Each utility shall complete, properly execute under oath and submit a certification form as part of its "Annual Report", which provides as follows:

"We, on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers and records of said utility, that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said utility, in respect to each and every matter and thing therein set forth to the best of our knowledge, information and belief; and that the accounts and figures contained in the foregoing report embrace all of the financial operations of said utility during the period for which said report is made."

(e) The certification set forth in (d) above shall be subscribed and sworn to under oath by the utility by its president or other chief officer and by its treasurer or other officer in charge of accounts whose signatures shall be notarized as a sworn statement before a notary official in conformance with New Hampshire law.

(f) By submitting or signing the "Annual Report", the person submitting the form, on behalf of themselves and the utility, thereby agree to comply with the certification statement set forth in (d) above.

(g) Each utility shall comply with the electronic filing requirement regarding the "Annual Report" form as provided in Puc 708.09.

Puc 708.08 F-22 Information Sheet.

(a) Each utility shall file Form F-22:

- (1) Annually; and
- (2) Whenever any changes occur to the information included in the form F-22 filing.

(b) Each utility shall include the following on form F-22:

- (1) The name of the utility;
- (2) The person's name and address to receive the annual report form;
- (3) The person's name and address to receive the utility assessment tax;
- (4) The names and titles of the principal officers of the company; and
- (5) The signature, the printed full name and title of the utility employee who supervised the preparation of the form.

Puc 708.09 Electronic Filing Requirement, Annual Report.

(a) "Electronic filing" or "file electronically" means the filing with the commission of an electronic version of a document or form.

(b) Each utility shall, in addition to filing a completed and executed "Annual Report" in paper as required by Puc 708.07, electronically file with the commission a completed "Annual Report" form in a format compatible with the computer system of the commission.

(c) The commission shall notify utilities on no less frequently than an annual basis of the types of electronic formats compatible with its computer system and shall post the list of such formats on its website.

(d) Any sewer utility serving fewer than 600 customers shall be exempt from the requirements of this section.

(e) Any utility may petition for a one year waiver from the electronic filing requirement pursuant to the waiver provisions of Puc 201.05.

(f) In its application for a waiver under (e) above, a utility shall describe and provide evidence to demonstrate that:

- (1) It does not have the computer capability to generate electronic reports or filings due to the small size of its overall operations or its lack of computer equipment and/or expertise; or

(2) Its existing available computer systems are not compatible with the computer systems of the commission and because of this incompatibility it would be prohibitively expensive or cumbersome to file electronically; or

(3) Other circumstances would make electronic filing prohibitively expensive or cumbersome.

(g) The commission shall issue a waiver under (e) and (f) above if it determines that the burden on the utility of electronic filing outweighs the benefit to the administrative process.

(h) The commission shall make available to each utility upon request an electronic version of the "Annual Report" form when the commission has prepared and has available an electronic version.

### Appendix

Rule	Specific State Statute the Rule Implements
Puc 701.01 - 702.10	RSA 365:8, XII
Puc 703.01	RSA 365:8, XII, 374:15
Puc 703.02	RSA 365:8, XII, 370:7
Puc 703.03 - 703.04	RSA 365:8, XII, 374:3; 370:2
Puc 704.01 - 704.03	RSA 365:8, XII, 370:2
Puc 705.01	RSA 365:8, XII, 374:3
Puc 706.01 - 706.04	RSA 365:8, XII, 374:4, 13
Puc 706.05 - 706.07	RSA 365:8, XII, 369:1,3; 374:13
Puc 707.01 - 707.04	RSA 365:8, XII, 374:37-39; 374:3, 4
Puc 708.01	RSA 365:8, XII, 374:39
Puc 708.02	RSA 365:8, XII, 370:2-5
Puc 708.03	RSA 365:8, XII, 374:5, 13, 15
Puc 708.04	RSA 365:8, XII, 374:4
Puc 708.05	RSA 365:8, XII, 374:2; 378:3
Puc 708.06	RSA 365:8, XII, 369:1, 3
Puc 708.07	RSA 365:8, XII, 374:4; 374:13
Puc 708.08 - 708.09	RSA 365:8, XII