

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

IR 13-336

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Review of Line Extension Policy

ORDER OF NOTICE

On March 1, 2013, Public Service Company of New Hampshire (PSNH) filed a report on its line extension policy and proposed tariff pages. The filing was made pursuant to a Settlement Agreement approved by the Commission in Order No. 25,046 (November 20, 2009) in Docket DE 08-135. The Settlement Agreement provided that PSNH would phase in over a three-year period new line extension charges based upon a specified cost per foot. The phase-in period ran until March 31, 2013 after which time the Settlement Agreement provided a method for calculating the cost per foot that would apply to line extensions beginning April 1, 2013. Pursuant to the proposed tariff, the cost per foot of single-phase overhead line extensions for effect April 1, 2013 would increase from \$11.40 to \$20.71, and for single-phase underground line extensions, the cost per foot would increase from \$14.71 to \$15.48. The Commission issued Order No. 25,481 (March 28, 2013) suspending the tariff for 3 months to allow further investigation by Staff, and by consent, PSNH later allowed the investigation to continue an additional 5 months through November 28, 2013, whereupon the suspension of the tariff terminates and the tariff takes effect pursuant to RSA 378:6.

Staff filed a memorandum on November 22, 2013 advising the Commission that the proposed tariff rate was calculated in a manner consistent with the terms of the Settlement Agreement and recommended that the Commission approve the tariff. Staff further noted that pursuant to RSA 370:12 which was effective August 17, 2012, a utility customer who requires a

line extension on private property may hire a qualified contractor approved by the local distribution utility. Staff recommended that PSNH update its tariff to clearly inform customers of the availability of such an option. Finally, Staff also reported that PSNH, consistent with the Settlement Agreement, had included the average costs of tree trimming in the line extension rates, a cost that was not previously included in the per-foot cost calculation. Given that a significant portion of the cost increase for single-phase line extensions includes an additional \$3.13 per foot for tree trimming expenses, Staff recommended that PSNH consider implementing the per-foot costs with and without the tree trimming component.

The Commission has reviewed the proposal and Staff's comments, and understands that PSNH's tariff filings are in conformance with a Settlement Agreement supported by Staff and approved by the Commission. Nonetheless, the fact that the cost of single-phase overhead line extensions, the most common line extension required by customers, would almost double under PSNH's new tariff raises several policy issues that compel the Commission to reconsider Order No. 25,046. Accordingly, pursuant to RSA 365:28 the Commission will hold a hearing to take comment from interested parties on the following questions: whether customers experience any savings by engaging the services of an independent contractor to install line extensions pursuant to RSA 370:12 as opposed to using utility services; whether PSNH should consider implementation of average per-foot costs for single-phase overhead line extensions both with and without tree trimming; whether the costs of line extension along a public way should be the same as the costs for extensions on private property, and whether a different methodology for assessing line extension charges would be appropriate and in the public interest.

Docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-336.html>.

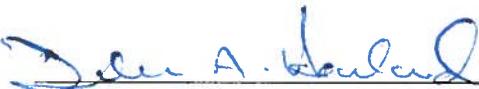
The filing raises, inter alia, issues related to whether the Commission should alter Order No. 25,046 regarding the calculation of line extension costs after consideration of the questions noted above.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on January 7, 2014 at 10:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than December 6, 2013, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before January 3, 2014; and it is

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of November, 2013.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.