

# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

**DATE: April 8, 2016**

**AT (OFFICE): NHPUC**



**FROM:** Rich Chagnon, Utility Analyst – Electric Division

**SUBJECT:** Docket No. IR 14-190

Public Service of New Hampshire d/b/a Eversource Energy, Unitil  
Energy Systems, Inc. and Liberty Utilities (Granite State Electric)  
Corp.

Investigation into Line Extension Policies  
Staff Recommendation

**TO:** Debra A. Howland, Executive Director  
Chairman Martin P. Honigberg  
Commissioner Robert R. Scott  
Commissioner Kathryn M. Bailey  
Tom Frantz, Director – Electric Division  
Amanda O. Noonan, Director – Consumer Services & External Affairs

### Summary

On July 18, 2014, the Commission issued an order of notice to open the above-captioned docket for the purposes of investigating the policies of the electric distribution utilities regarding line extensions for new residential housing. The Commission required Public Service Company of New Hampshire now Eversource (Eversource), Liberty Utilities (Granite State Electric) Corp. (Liberty), and Unitil Energy Systems, Inc. (Unitil) to participate in the proceeding.

On April 2, 2015 in Docket No. IR 14-190, Staff submitted recommendations to the Commission to align the policies of Eversource, Liberty and Unitil for single-phase line extensions for individual residential customers involving line extensions along a public way.

At this time, Staff requests the Commission implement the recommendations contained in the Staff memo submitted on April 2, 2015 in conjunction with future utility rate cases.

## **Background**

On April 2, 2015 in Docket No. IR 14-190, Staff submitted the following recommendations to the Commission to align the policies of Eversource, Liberty and Unitil for single-phase line extensions for individual residential customers involving line extensions along a public way;

1. For new line extensions, each distribution utility shall provide one pole and a service drop at no cost to customers (approximately 300 feet). This allowance should apply to both overhead and underground extensions. For Eversource, this provision will result in the application of the per foot cost to all but the first 300 feet of the extension.
2. For projects that cost up to \$3000, the customer shall pay the costs prior to construction. For projects in excess of \$3000, customers can choose to pay the excess costs over a period of time not to exceed 5 years. The companies may charge interest on any unpaid amounts equal to the rate applied to customer deposits.
3. Eversource should begin to allocate, and Unitil and Liberty should continue to allocate, costs between the initial customer and any subsequent customer that takes service from the initial line extension in the five-year period following the construction of the line extension. The first customer shall be responsible for notifying the company when a new customer takes service from the line extension. Absent such notification from the first customer, the utility shall not be required to allocate the cost of the extension to subsequent customers.
4. Liberty is the only electric distribution utility that does not take ownership of underground line extensions. Staff understands that Liberty already locates and marks underground residential service lines. Staff recommends that the Commission require Liberty to take ownership of and maintain line extensions for all the new residential underground service lines, consistent with the practice of Eversource and Unitil.

## **Recommendation**

Staff recommends that the Commission require Eversource to submit changes to its line extension policy to incorporate recommendations one and two above when the Company prepares and submits its next rate case to the Commission. These changes involve line extensions to a single-family home or a residential duplex. Based on conversations with Eversource representatives, Staff understands that Eversource agrees with this recommendation.

Further, Staff recommends the Commission require Eversource to implement recommendation number three above immediately. These changes involve line extensions to a single-family home or a residential duplex.

Staff's April 2, 2015 memo also included a recommendation that Liberty take ownership of, and maintain line extensions for, all new underground service lines as described in item four above. Staff continues to believe this change to Liberty's line extension policy is appropriate. As Liberty recently filed with the Commission a notice of intent to file rate schedules, Staff recommends the Commission require Liberty to address this issue in its upcoming rate filing.

Based on the above, Staff requests the Commission close Docket No. IR 14-190.

**SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED**

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Executive.Director@puc.nh.gov  
allen.desbiens@nu.com  
amanda.noonan@puc.nh.gov  
david.goyette@puc.nh.gov  
epler@unitil.com  
grant.siwinski@puc.nh.gov  
heather.tebbetts@libertyutilities.com  
kristi.davie@nu.com  
leszek.stachow@puc.nh.gov  
lois.jones@nu.com  
matthew.foosum@eversource.com  
maureen.karpf@libertyutilities.com  
ocalitigation@oca.nh.gov  
richard.chagnon@puc.nh.gov  
Stephen.Hall@libertyutilities.com  
steven.mullen@libertyutilities.com  
suzanne.amidon@puc.nh.gov  
tbohan@spragueenergy.com  
tom.frantz@puc.nh.gov  
wade@unitil.com  
wayne.jortner@oca.nh.gov

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DEBRA A HOWLAND  
EXECUTIVE DIRECTOR  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429

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