

MINUTES

COMMISSION MEETING

December 31, 2003

The New Hampshire Public Utilities Commission Meeting began at 1:00 P.M. on Friday, December 19, 2003. Chairman Thomas B. Getz, Commissioner Susan S. Geiger and Commissioner Graham J. Morrison were present. Also present were the Executive Director and the Division Heads, or their designees. The following matters were discussed.

1. Approval of December 19, 2003 Commission Meeting Minutes

A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to adopt the minutes of the December 19, 2003 Commission Meeting.

2. DT 99-020; Investigation of Congestion on the Public Switched Network

Chairman Getz announced the issuance of Order No. 24,255 (December 30, 2003) which is an Order Nisi stating that subject to the effective date of January 31, 2004, Verizon New Hampshire shall make the provisioning of 1009 Channels a regular tariffed service. The order also states that Verizon shall file a proposal and support for a flat-rate installation charge for Series 1009 Channels with supporting cost studies no later than 60 days from the effective date of this Order Nisi.

3. DT 01-127; Global NAPS
(Reciprocal Compensation Claim with Verizon New Hampshire)

A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to ratify the December 19, 2003 secretarial letter stating that at the technical session held on December 11, 2003 regarding the outcome of this docket, the parties and Staff agreed that responses to additional data requests are necessary. As a result, the Staff of the Commission requested on behalf of the parties that the Commission revise the procedural schedule set out in Order No. 24,233 (November 4, 2003).

The secretarial letter also states that Global NAPS and Verizon each agreed to provide answers to additional data requests.

The original schedule called for settlement discussions on January 15, 2004 and a hearing on January 22, 2004. The proposed revisions provide for:

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| Filing of data responses | December 23, 2003 |
| Filing of Supplemental Testimony | January 22, 2004 |
| Conference Call to Determine Remaining Process | January 29, 2004 |

The proposed procedural schedule is approved and the January 22, 2004 hearing is cancelled until further notice.

4. DRM 02-150; Rulemaking: Disclosure Rules, Proposed Puc Part 2200
(Guidelines for the Reporting of Resource Mix and Environmental Attributes by Competitive Electric Power Suppliers, Electric Utilities and Other Electric Service Providers)
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A motion was made by Commissioner Morrison, seconded by Commissioner Geiger and unanimously approved to ratify the December 22, 2003 secretarial letter stating that on December 4, 2003, the Joint Legislative Committee on Legislative Rules voted to enter a Revised Objection to the Commission's Final Proposal for Disclosure of Environmental Attributes. The Commission has scheduled Technical Sessions on January 6, 2004, and January 8, 2004 at 10:00 a.m. to seek public input as it prepares its Objection Response.

5. DE 03-166; Public Service Company of New Hampshire (PSNH)
(Petition for Authority to Modify Schiller Station)
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A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to ratify the December 22, 2003 secretarial letter stating that in the course of reviewing the record in the above referenced proceeding, the Commission has determined that additional information from PSNH is necessary in order to provide the Commission with a full and appropriate record. Accordingly, PSNH should respond to the record request by December 29, 2003.

6. DT 03-151; New Access Communications, LLC (NAC)
(Application for Authority to Provide Competitive
Intralata Toll in New Hampshire)

A motion was made by Commissioner Morrison, seconded by Commissioner Geiger and unanimously approved to ratify the December 29, 2003 secretarial letter denying the application of NAC. The secretarial letter notes that NAC may commence an adjudicative process by filing a request with the Commission by January 9, 2004.

7. DM 03-176; Investigation of Utility Billing Practices

A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to ratify the December 29, 2003 secretarial letter stating that on December 23, 2003, Staff filed a request in the above referenced matter to modify the procedural schedule. Specifically, Staff requested the date for responding to data requests be moved from January 2, 2004 to January 16, 2004. Staff further requested the technical session scheduled for January 9, 2004 be rescheduled to January 27, 2004.

The secretarial letter concludes that the Commission has determined that Staff's request is reasonable and will not unduly delay the proceeding. Accordingly, the procedural is amended as follows:

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| Data Responses | January 16, 2004 |
| Technical Session | January 27, 2004 at 10:00 a.m. |

8. DW 03-107; Pittsfield Aqueduct Company, Inc. (PAC)
(Petition for Increase in Permanent Rates)

A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to adopt the order approving the Settlement Agreement reached between PAC and Staff. The order also states that PAC's rate case expenses of \$6,398.68 are approved.

9. DE 03-210; New Hampshire Electric Cooperative, Inc. (NHEC)
(Request to Change Stranded Cost Rate Component
for Effect January 1, 2004)
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A motion was made by Commissioner Morrison, seconded by Commissioner Geiger and unanimously approved to adopt the order approving the requested stranded cost charge for NHEC customers of \$0.01800 per kWh, for bills rendered on or after January 1, 2004.

10. DE 03-224; Granite State Electric Company (GSEC)
(Request to Adjust Retail Rates for Effect
January 1, 2004)
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A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to adopt the order approving GSEC's requested adjustments to retail rates for service rendered on or after January 1, 2004.

11. DG 03-160; EnergyNorth Natural Gas, Inc. d/b/a KeySpan
Energy Delivery New England (KeySpan)
(2003/2004 Winter Period Cost of Gas)
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Chairman Getz noted at the close of the hearings on December 22, 2003, that the Commission indicated it would take under advisement two procedural issues. The first concerns whether, as requested by Staff, the Commission should take official notice of the final audit report issued by Staff on November 21, 2003. The second issue concerns a motion by KeySpan that the Commission designate Mr. Wyatt and Mr. Frink as Staff Advocates with respect to issues concerning the Company's prudence in making certain gas supply planning and dispatch decisions.

Chairman Getz stated that with respect to the final audit report, the document was not introduced until the time of hearing and therefore the Company was not on notice prior to the hearing that it might have to contest the contents of the report for purposes of the hearing. In addition, the report does not fall within the categories eligible for recognition through official notice set forth in Puc 203.10 or RSA 541-A:33.

Chairman Getz stated that with respect to the motion for designation of Mr. Wyatt and Frink as Staff Advocates as conceded by KeySpan at the hearing, the motion was made so late in the proceedings that pursuant to RSA 363:32 I, the

Commission may deny it solely on the grounds that it is administratively unworkable. Additionally, the Commission is not persuaded as a matter of fact that Mr. Wyatt or Mr. Frink could not fairly and neutrally advise the Commission on all positions advanced in the proceeding. Nevertheless, it does appear that Mr. Wyatt, owing to his particular background and expertise in the specific subject matter, is committed to what appears to have become a highly adversarial position. Chairman Getz further stated that this alone would not be a basis for designation under RSA 363:32 I, but under Section II of that statute the Commission may designate Staff on its own initiative and while they agree with the Company that there is no issue of personal bias on Mr. Wyatt's part, it does appear that Mr. Wyatt has a strongly held professional position developed through a very particular combination of experiences. Accordingly, Chairman Getz stated that he believes that it is reasonable to designate him as a Staff Advocate in this case and in respect to this particular testimony. At the same time, he did not find Mr. Frink has the same set of professional experience and background nor has he participated in the proceeding with respect to this subject matter to an extent that would cause him to designate Mr. Frink.

Accordingly, a motion was made by Chairman Getz to move that the Commission deny the motion to take official notice of the final audit report and he also motioned that the Commission designate Mr. Wyatt as a Staff Advocate but that it not designate Mr. Frink as such. Commissioner Geiger seconded Chairman Getz's motion and Commissioner Morrison concurred.

12. New Business

- A.) DT 02-165; Verizon New Hampshire (Verizon)
(Investigation Into Verizon's Treatment of
Yellow Pages Revenues)

A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to ratify the December 30, 2003 secretarial letter granting Destek Networking Group's motion for intervention conditioned on its willingness to abide by the procedural schedule previously approved by the Commission in this docket.

- B.) DE 02-034; Statewide Low-Income Electric Assistance Program
(Tiered Discount Program)

A motion was made by Commissioner Morrison, seconded by Commissioner Geiger and unanimously approved to ratify the December 30, 2003 secretarial letter approving the request of Granite State Electric Company and New Hampshire Electric Cooperative, Inc.'s request that their respective current reconciliation balances associated with the Interim Program be transferred to these Companies' current statewide Electric Assistance Program reconciliation balances and recovered through the low income portion of the Systems Benefit Charge revenue collected by the Companies.

- C.) DE 03-200; Public Service Company of New Hampshire (PSNH)
(Delivery Service Tariff NHPUC No. 3,
Request for Approval of Rate Increase and
Associated Tariff Modifications)

Chairman Getz announced the issuance of Order No. 24,256 (December 31, 2003) suspending the Delivery Service Tariff NHPUC No. 3 filed by PSNH on December 29, 2003. Commissioner Geiger noted that the order schedules a Prehearing Conference for January 21, 2004 at 10:00 a.m.

- D.) DE 03-186; Florida Power & Light (FP&L)
(Petition for Declaratory Ruling)

A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to adopt the order denying FP&L's request for a declaratory order that it enjoys an exemption from Commission jurisdiction pursuant to RSA 364:4-c. The order states that all additional issues raised by the FP&L Petition be deferred pending further scheduling order of the Commission.

E.) DT 03-216; Verizon New Hampshire (Verizon)
(Investigation of Problems Concerning
Transition from UNE-Provisioned DS-1
Switching to Alternate Arrangements)

A motion was made by Commissioner Morrison, seconded by Commissioner Geiger and unanimously approved to adopt the order approving the following procedural schedule:

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| Testimony from all parties and Staff | January 9, 2004 |
| Data Requests | January 16, 2004 |
| Data Responses | January 26, 2004 |
| Reply Testimony | February 5, 2004 |
| Data Requests | February 12, 2004 |
| Data Responses | February 19, 2004 |
| Hearing | March 4 & 5, 2004 |

The order also states that Verizon shall include in its testimony on January 9, 2004 its plans regarding DS-1 switching, including the date on which it will file stand-alone DS-1 switching rates.

13. Miscellaneous Administrative Matters

Chairman Getz announced that the next Commission Meeting is scheduled for Friday, January 9, 2004 at 3:30 P.M.

A motion was made by Commissioner Geiger, seconded by Commissioner Morrison and unanimously approved to adjourn this meeting. The meeting, therefore, adjourned at 1:10 P.M.