

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 08-135

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Line Extension Policy

Order Suspending Tariff

ORDER NO. 25,481

March 28, 2013

On March 1, 2013, Public Service Company of New Hampshire (PSNH) filed a report on its line extension policy consisting of a technical statement and a proposed tariff pursuant to the terms of a Settlement Agreement approved by the Commission in Order No. 25,046 (Nov. 20, 2009) in the instant docket. Pursuant to the Settlement Agreement, PSNH was to phase in, over three years, new line extension charges based upon a specified cost per foot. The phase-in period runs until March 31, 2013, after which time the Settlement Agreement provides a method for calculating the cost per foot that will apply to line extensions beginning April 1, 2013. The Settlement Agreement also required PSNH to provide a report to the settling parties summarizing certain information relating to line extensions by March 1 of each year, beginning in 2013.

According to the report, PSNH followed the methodology described in the Settlement Agreement to record the actual cost of each line extension that was initiated and constructed during the period January 1, 2010 through December 31, 2012, including whether the line extension involved an overhead or underground service drop and the total length of the line extension, including the service drop, when applicable. The report states that PSNH also included the actual costs associated with each line extension, except for the cost of transformers, consistent with the terms of the Settlement Agreement. In addition, in calculating the rate,

PSNH made adjustments to the 2010 and 2011 line extensions to reflect the annual average Consumer Price Index.

According to the report, these calculations resulted in the following changes for line extensions for effect April 1, 2013. For single-phase overhead line extensions, the cost per foot will increase by \$9.31 from \$11.40 to \$20.71. For single phase underground line extensions, the cost per foot will increase from \$14.71 to \$15.48. PSNH said that the single-phase overhead costs are increasing in part due to the fact that, prior to 2010, PSNH did not include tree trimming costs in line extension charges. According to PSNH, the inclusion of those costs, as allowed by the Settlement, added \$3.13 per foot to the updated costs. PSNH said that the increases are also due to higher costs of labor, material, vehicles and overheads.

The Commission has determined that more time is needed for Staff to examine the data on actual line extension costs that underlie the basis for the proposed tariff increase and on that basis we suspend the tariff. We direct Staff to file a recommendation with the Commission following its review.

Based upon the foregoing, it is hereby

ORDERED, pursuant to RSA 378:6, I(b), the Commission hereby suspends PSNH's proposed tariff to allow the underlying costs to be investigated; and it is

FURTHER ORDERED, that Staff shall file its recommendation with the Commission following the conclusion of its examination of the proposed rates.

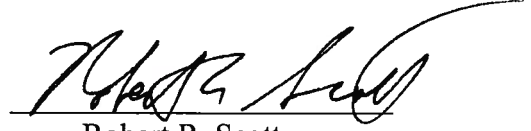
By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of
March, 2013.



Amy L. Ignatius
Chairman

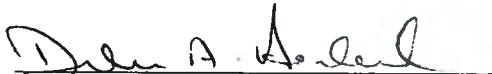


Michael D. Harrington
Commissioner



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director