

Public Service of New Hampshire

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A Northeast Utilities Company

Matthew J. Fossum Senior Counsel

February 24, 2014

MPUC 24FEP14PM4:30

Debra A. Howland Executive Director New Hampshire Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301-2429

RE: DE 08-135, Public Service Company of New Hampshire

Line Extension Policy Line Extension Rate Filing

Dear Director Howland:

On September 18, 2009, a settlement agreement relating to the line extension policy of Public Service Company of New Hampshire ("PSNH") was filed with the Commission in the above-referenced docket. The Commission approved the policy as contained in the settlement agreement in Order No. 25,046 (November 20, 2009). Under the policy as set out in the settlement, PSNH was to phase-in, over three years, new line extension charges based upon a specified cost per foot. The phase-in period ended March 31, 2013, after which time the settlement provided a methodology for calculating the cost per foot that would apply to line extensions.

Pursuant to the settlement, at Section B.2., PSNH is to calculate the average cost per foot by construction type for the period April 1 through March 31 of each year using an average of actual costs from the three prior years. The settlement provides a specific method for calculating and updating the three year average. In this filing, PSNH provides the technical statement of Charles R. Goodwin to report on the average cost per foot calculations applicable to the period April 1, 2014 through March 31, 2015 as called for in the settlement agreement.

In that the cost per foot in the enclosed submission will be the rate for line extensions applied through PSNH's tariff, PSNH is requesting, pursuant to RSA 378:3 and Puc 1603.07, that this rate be effective on April 1, 2014, consistent with the settlement agreement. PSNH has included proposed tariff pages implementing the new rate with this filing.

In addition, the settlement agreement 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. This filing incorporates the report due to the settling parties.

Thank you for your assistance with this matter. Please do not hesitate to contact me with any questions.

Very truly yours,

Matthew J. Fossum Senior Counsel

Enclosures cc: Service list

## Service List Docket DE 08-135

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