

**STAKEHOLDER REVIEW OF NEW
HAMPSHIRE'S UTILITY ASSESSMENT SYSTEM**

NHEC's Responses to Initial Information Requests

1. *The current allocation method is based on a utility's revenues as a percent of the total revenues of all New Hampshire utilities.*

(a) *Do you believe that the allocation method currently specified in statute is fair and reasonable?*

NHEC has not, to date, raised objections to the fairness or reasonableness of RSA 363-A. Nor has NHEC, to date, undertaken a systematic review of alternative approaches to the process provided for in RSA 363-A. To the extent that the investigative review conducted in this docket brings to NHEC's attention new facts or views which alter its positions on these questions, NHEC will so inform the Commission and stakeholders.

(b) *Why or why not?*

See response to 1(a).

(c) *If not, what different method(s) of allocation would you propose and why is that method(s) more fair and reasonable?*

See response to 1(a).

(d) *What statutory and/or rule changes would be required to utilize the method you propose?*

See response to 1(a).

2. *Do you believe that the allocation method currently specified in statute is legal and constitutional?*

NHEC has not, to date, raised objections to the constitutionality of RSA

363-A. Nor has NHEC, to date, undertaken a systematic review of any potential constitutional challenges to RSA 363-A. To the extent that the investigative review conducted in this docket brings to NHEC's attention new facts or views which alter its positions on these questions, NHEC will so inform the Commission and stakeholders.

(a) Why or why not?

See response to 2.

(b) If not, what different method(s) of allocation would you propose?

See response to 2.

(c) What statutory and/or rule changes would be required to utilize the method(s) you propose?

See response to 2.

3. *Do you believe that entities that are not public utilities under RSA 362:2 should be required to fund the Commission's expenses in some way? If so:*

In broad terms, NHEC generally favors cost and revenue allocation and recovery methodologies which reasonably link cost recoveries to those who cause the costs. NHEC recognizes that, in practice, the application of this general principle is subject to many other factors. As indicated in NHEC's previous responses, NHEC has not, to date, raised objections to the fairness or reasonableness of RSA 363-A and has not undertaken a systematic review of alternative approaches to the process provided for in RSA 363-A. To the extent that the investigative review conducted in this docket brings to NHEC's attention new facts or views which suggest reasonable alternatives which would involve payments by non-utilities toward the Commission's expenses, NHEC will so inform the Commission and stakeholders.

(a) What non-public utilities should be required to fund the expenses and why?

See response to 3.

(a) What amount of the expenses should non-utilities be required to fund?

See response to 3.

(b) By what mechanism(s) should the monies be collected?

See response to 3.

(c) What is the legal basis for imposing the obligation?

See response to 3.

(d) What statutory and/or rule changes would be required to implement your proposals?

See response to 3.

4. *The Commission has historically implemented the calculation of "gross utility revenue" under RSA 363-A:2 to include all of a utility's revenues associated with operations within the State of New Hampshire, whether or not the revenues are derived from an activity that is directly regulated by the Commission. For example, Public Service Company of New Hampshire reports revenue from transmission facilities located in New Hampshire that transmit electricity generated in and/or consumed in New Hampshire, even though the rates, terms of service and safety of transmission facilities are regulated by the Federal Energy Regulatory Commission. Telephone utilities must include revenue from interstate telephone calls that originate, or are placed to a location, in New Hampshire and travel over wires in New Hampshire, even though interstate telephone calls are regulated by the Federal Communications Commission.*

Please provide:

- (a) Your company's total revenues associated with operations within New Hampshire for your fiscal years 2010, 2011, and, as soon as available, 2012. Please also state where this information may be found in publicly available sources other than reports filed with the Commission (e.g., SEC filings, FERC filings, FCC filings, publicly available annual reports, etc.).*

See attached. NHEC's audited financials are publicly available on NHEC's website: NHEC.com.

- (b) Your company's total revenues associated with interstate operations within New Hampshire for your fiscal years 2010, 2011 and 2012, as soon as available. Please also state where this information may be found in publicly available sources (e.g., SEC filings, FERC filings, FCC filings, annual reports, etc.).*

None.

(c) Your company's total revenues associated with operations regulated by the Commission for fiscal years 2010, 2011 and 2012.

See attached.

(d) Your company's total revenues for fiscal years 2010, 2011 and 2012 associated with operations within the State of New Hampshire that are regulated wholly by a federal agency and upon which the Commission is preempted from taking any regulatory action, including without limitation, an investigation or participation in regional or federal proceedings.

None.

(e) If your answer to subsection (d) is anything greater than \$0, please describe the operations upon which you base your answer, and briefly summarize your legal analysis.

None.

(f) Your company's total revenues for fiscal years 2010, 2011 and 2012 collected on behalf of, and paid to, another entity. Please describe the related service(s) and amount of revenue related to each service. Are those revenues reflected in gross revenues as reported to the Commission?

See Attached. State taxes paid to N.H. are included in gross revenues reported to the Commission.

5. As to any interstate operations of your company within New Hampshire, please state whether such operations rely to any extent on facilities or service providers whose rates, terms of service and/or safety are regulated by the Commission, and if so, identify any and all such facilities and how they relate to such operations.

None.

6. Please provide any further thoughts that you think may be useful in consideration of the issues raised in Docket no. DM 12-276 and Commission Order No. 25,451.

None, at this time.

New Hampshire Electric Cooperative, Inc.
 DM 12-276 Utility Assessment Stakeholder Process
 Question 4(a), (b), (c) and (f).

This table represents booked revenues as found in NHEC's Audited Financials

Year	Non-regulated		State regulated		PUC regulated		Total Revenues
	NHEC Revenue	BET tax	Stranded Cost	EE charge (SBC)			
2010	\$ 118,503,565.80	\$ 199,559.13	\$ 10,529,054.14	\$ 790,643.27			\$ 130,022,822.34
2011	\$ 115,961,139.93	\$ 200,871.99	\$ 7,030,334.87	\$ 1,186,714.00			\$ 124,379,060.79
2012 prelim	\$ 114,788,773.49	\$ 202,719.37	\$ -	\$ 1,126,200.38			\$ 116,117,693.24
	\$ 349,253,479.22	\$ 603,150.49	\$ 17,559,389.01	\$ 3,103,557.65			\$ 370,519,576.37
	\$ 349,253,479.22	\$ 603,150.49		\$ 20,662,946.66			\$ 370,519,576.37
	94.26%	0.16%		5.58%			