

Leighton, Adele

To: Leighton, Adele
Subject: IR 13-038, Stakeholder Review of Utility Assessment Practices - Straw Proposal
Attachments: DOCstraw_20130703125425.PDF

Attached please find Staff's revised straw proposal in the above-captioned docket. This proposal is based on participant comments and discussions held during our last technical session, and is intended to address the concerns raised in an equitable manner.

To help facilitate further discussion, please provide written comments, including whether your company supports the proposal, by Wednesday, July 15. At that point, we will schedule a further technical session for late July/early August, depending on schedules.

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IR 13-038 Stakeholder Review of Utility Assessment Practices

Straw Proposal for Recommendations to the Commission

July 2, 2013

In Order 25,451, issued in Docket No. DM 12-276 on January 13, 2013, the Commission directed Staff to initiate a collaborative stakeholder process to review the current utility assessment system in light of statutory and industry changes since the assessment statute, RSA 363-A, was last amended. Pertinent information was compiled through solicitation of comments and technical session discussions with stakeholders. Comments were received from 10 companies and the Office of Consumer Advocate (OCA). Copies of all responses are available on the Commission's website at: www.puc.nh.gov/Regulatory/Doc/2013/13-038.html.

A technical session was held on March 12, 2013, at the Commission. Participants included representatives from FairPoint, Comcast, New England Cable & Telecommunications Association (NECTA), AT&T Corp. and TCG New Jersey, segTEL, Tech Valley Communications (TVC), Public Service Company of New Hampshire (PSNH), Unutil, Liberty Utilities, National Grid, and the OCA. Following the technical session, NECTA and AT&T provided additional input to Staff. Staff filed a report on the status of the stakeholder review on March 29, 2013.

The following "Straw Proposal" is a suggested recommendation to the Commission to consider certain options to address the changing regulatory landscape in New Hampshire, while recognizing that regulatory oversight and management demands are increasing in areas such as competitive energy markets, renewable energy programs, consumer complaints, and document management.

Policy Option

- A minimum assessment of \$1,000 on all telephone utilities should be established.

Rulemaking Options

- Electric and gas utilities should recover assessment costs through distribution rates.
- Registration and renewal fees for competitive gas and electric suppliers (CEPs), aggregators, and REC-eligible entities should be raised to cover Commission costs to review, monitor and maintain up-to-date accounts for each registrant, as well as to monitor and enforce compliance with Commission rules.

Legislative Options

- In light of recent legislative developments, telecommunications companies should be assessed 33 percent of gross utility revenues, in a manner analogous to the treatment of rural electric cooperatives for which a certificate of deregulation is on file with the commission. [RSA 363-A:2]
- The minimum revenue exemption from assessment should be revised to apply only to water and sewer utilities. [RSA 363-A:5]
- Legislation should be introduced to allocate PUC expenses to the applicant(s) of a site evaluation committee proceeding. [See RSA 162-H:10, V: “The site evaluation committee and counsel for the public are further authorized to assess the applicant for all travel and related expenses associated with the processing of an application under this chapter.”]