



**Public Service  
of New Hampshire**

IR 13-038

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A Northeast Utilities Company

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July 15, 2013

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

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RE: IR 13-038, All Utilities, Stakeholder Review of Assessment Practices  
Response of PSNH to July 2, 2013 Straw Proposal

Dear Director Howland:

While Public Service Company of New Hampshire (“PSNH”) appreciates the efforts that have been made in relation to the latest straw proposal circulated on July 2, 2013, PSNH believes that this proposal still does not account for the obvious underlying inequity in the assessment process. Further, PSNH understands the reasons for the decision in the straw proposal to alter the manner in which telecommunications companies are assessed and does not dispute that conclusion. That decision, however, highlights the very issue about which PSNH has expressed concern in this docket.

The straw proposal looks to treat telecommunications companies in a manner similar to electric cooperatives with a certificate of deregulation on file. That is, it lowers the assessment to them based upon a corresponding decrease in the Commission’s regulatory oversight. This change in policy both recognizes the decreased regulatory responsibilities of the Commission relative to these entities and it reinforces the notion that the Commission views the assessment, essentially, as a license fee, which, under New Hampshire law, must be incidental to the regulation. Despite this recognition, however, the straw proposal does not propose to amend the assessments as applied to either electric utilities or competitive power suppliers. Therefore, it leaves intact an assessment method that is under-inclusive and over-inclusive as was described in PSNH’s earlier comments in this docket. For ease of reference, PSNH has attached its response to Staff question 1-1 in this docket. It is not clear from the straw proposal itself why the proposal continues these inequitable practices.

As PSNH noted in its response to the initial questions in this docket, for all but price the Commission regulates competitive suppliers in New Hampshire. Furthermore, the Commission

appears to be the agency charged with monitoring and enforcing the compliance of these entities with consumer protection laws and rules. Additionally, these entities have sought, continue to seek, or are subject to, the intervention of the Commission on various issues relating to their businesses. (Reference, for example, the dockets cited in PSNH's response for 2012 as well as, for 2013, Docket Nos. DE 13-047, DE 13-057, DE 13-059, DE 13-060, and DRM 13-151, in addition to at least 31 other dockets relating to the registration or re-registration of electric aggregators or competitive power suppliers as of the date of these comments).

Nevertheless, the straw proposal does not contain any proposal to amend the assessments for these entities in recognition of that regulatory obligation. In a general manner, the straw proposal describes only the possibility of raising registration and renewal fees for competitive providers. The straw proposal, however, stops short of describing the amount of such fees; the timing of their payment or collection; how, or whether, those fees would be applied to the expenses of the Commission, remitted to the general fund, or used for some other purpose; or any other details relevant to a determination of their appropriateness. In that the straw proposal appears to substitute these fees for the assessment, the fees too must meet the same requirement that they be incidental to the regulation. By not including any details, it is not clear how, or if, that determination can be made. The straw proposal states that it "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.*" (emphasis added). Respectfully, PSNH disagrees that the straw proposal recognizes and accounts for those very issues.

Moreover, in leaving intact the assessment practice as concerns electric utilities, the assessment continues to count revenues from sources not regulated by the Commission (such as FERC-regulated revenues), or that are functionally identical to revenues of competitive suppliers that are not subject to assessment (revenues related to the provision of energy). As to the latter issue, PSNH re-states its prior contention that "To the extent that incumbent and competitive companies are providing equal services in equal ways, the different entities should be treated 'in a fair and consistent manner' for purposes of assessments." The straw proposal does not explain any basis for the inclusion of these revenues in the calculation of an assessment on utilities, while excluding any consideration of those revenues in relation to other entities.

Similarly, the "hit-and-miss" assessment of gas pipelines in New Hampshire remains an unexplained and unresolved issue. If the FERC-jurisdictional revenues of electric utilities are included in the Commission's assessment process, all federally-jurisdictional revenues of electric, gas, and telecommunications providers should be similarly included.

In brief, PSNH holds to the views it expressed initially that:

the current method of assessment would be appropriate if it properly included all companies and revenues that should rightly be considered when determining the amount of the assessments. However, if the Commission decided that "electricity suppliers" should not be included in assessment process, then, in order to comply

with RSA 374-F:3, VII, it should similarly exclude revenues attributable to the provision of default energy service. Similarly, if the Commission were to exclude revenues subject to the jurisdiction of the FCC for telecom companies, or if it failed to include all federally-regulated sources in its assessments, then revenues regulated by the FERC for the state's electric utilities should similarly be excluded from the assessment process.

To the extent that the straw proposal does not account for the above-described issues, PSNH cannot support this straw proposal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew J. Fossum", with a horizontal line extending to the right.

Matthew J. Fossum  
Counsel

Cc: Service List