

IR 13-038 Stakeholder Review of Utility Assessment Practices

Second Revised Straw Proposal for Recommendations to the Commission

July 30, 2013

In Order 25,451, issued on January 13, 2013, in Docket No. DM 12-276, 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 Staff and 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), Unitil, 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.

A second technical session was held on May 29, 2013. Participants included Staff, OCA, and representatives from NECTA, Comcast, TVC/segTEL, FairPoint, PSNH, Unitil, Liberty Utilities, and National Grid. Based on comments received at the May 29 technical session, Staff developed a revised Straw Proposal that was dated and circulated July 2, 2013.

A third technical session was held on July 29, 2013. Participants included Staff and representatives from NECTA, the N.H. Telephone Association (NHTA), FairPoint, AT&T Corp., PSNH, Unitil, Liberty Utilities, and National Grid. The "Second Revised Straw Proposal" points outlined below capture the conceptual agreement reached in the July 29 session. It provides a proposed consensus recommendation to the Commission to consider certain legislative 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.

The participating parties believe that the following proposed framework takes into account in an equitable manner the various and diverse positions raised by participants in the three technical sessions, and minimizes to the extent possible the shifting of assessment obligations from the telecommunications industry to the electric industry by including an assessment of competitive electricity suppliers and aggregators who use Commission resources, in some cases quite extensively. The proposed 33% assessment of gross utility revenue on telecommunications companies is analogous to and consistent with the current NHEC statutory assessment based on

33% of total company gross utility revenues. It is the intent of the participating parties that the following legislative proposals be jointly presented to the legislature in the upcoming legislative session by the electric and telecommunications companies that have participated in this stakeholder review and that are currently responsible for the majority of the assessments allocated pursuant to RSA 363-A. The parties recommend that the Commission support the joint industry presentation to the legislature.

Legislative Proposal by Coalition of Stakeholders

- Telecommunications companies would be assessed on 33% of their gross utility revenues. The allocation of OCA expenses would remain as it is currently structured.
- Competitive Electric Power Suppliers (CEPS) would be assessed based on 33% of their New Hampshire retail electric revenues.
- A \$1000 minimum assessment would apply to all telecommunications companies
- A \$1000 minimum assessment would apply to all gas and electric aggregators.