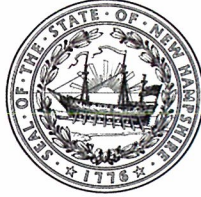


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STATE OF NEW HAMPSHIRE



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STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 19, 2015

AT (OFFICE): NHPUC

FROM:  Tom Frantz
Director - Electric Division

SUBJECT: Docket No. DE 15-089
Public Service Company of New Hampshire d/b/a Eversource Energy
Report on Line Extension Costs
Staff Recommendation Regarding Proposed Tariff Changes

TO: Debra A. Howland, Executive Director
Chairman Martin P. Honinberg
Commissioner Robert R. Scott

Summary: Staff recommends that the Commission reject the Company's proposed tariff to adjust its line extension costs. Because the Commission has opened an investigation into electric distribution utilities line extension policies (IR 14-190) Staff recommends that the Commission not take action on any line extension policy consistent with the outcome of the investigation.

BACKGROUND

On February 25, 2015, Public Service Company d/b/a Eversource Energy (Eversource or Company) filed a report on its line extension policy consisting of a technical statement and a proposed tariff. The report and tariff were prepared pursuant to a Settlement Agreement approved by the Commission in DE 08-135. See Order No. 25,046 (Nov. 20, 2009). The Settlement Agreement allowed Eversource to phase in, over three years, new line extension charges based on a specified cost per foot. The phase-in period ended March 31, 2013, after which time the Settlement Agreement provided a methodology for

the Company to use in calculating the per-foot cost that would apply to line extensions beginning April 1, 2013.

The Settlement Agreement required Eversource to file a report summarizing certain information related to line extensions by March 1 of each year, beginning in 2013. The Settlement Agreement also required that Eversource calculate, on an annual basis, the average cost per foot by construction type (overhead and underground construction) using a rolling average of actual costs from the three prior years. Once those costs were calculated, the Settlement Agreement allowed the new costs to be in effect for line extensions built for the next period, April 1 through March 31, of each year.

In its February 2015 filing, Eversource proposed to increase the per-foot cost of both categories of line extensions. Under its proposal, single-phase overhead line extensions would increase from \$21.54 per foot to \$22.38 per foot. Underground single-phase line extension costs would decrease from \$15.37 to \$14.81. Eversource included these prices in its proposed tariff.

On March 26, 2015, the Commission issued Order No. 25,769 suspending the tariff for a period of three months. The Commission took this action because on July 18, 2014, the Commission opened a docket, IR 14-190, to investigate the line extension policies of Eversource, Liberty Utilities and Unitil Energy Systems, Inc.

The investigation in IR 14-190 is ongoing. The companies are expected to file testimony on June 19, 2015, and Staff and the parties have scheduled a technical session for June 25, 2015. At this point in time, Staff is inclined to consider a uniform line extension policy to be applicable to each of the electric distribution utilities, but we need additional time to bring the investigation to a hearing. Because the proposed rates are similar to the existing tariffed rates and to allow for the conclusion of the investigation, Staff recommends that the Commission reject the suspended tariff and direct Eversource to continue its participation in Docket IR 14-190.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 15-089-1 Printed: June 19, 2015

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
- DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.