

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 08-135

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Tariff Filing to Establish a New Line Extension Policy

Order Suspending Tariff Pages and Scheduling Prehearing Conference

ORDER NO. 24,915

November 26, 2008

On November 3, 2008, Public Service Company of New Hampshire (PSNH) filed, pursuant to N.H. RSA 378:3 and N.H. Code Admin Rule Puc 1605.02, proposed tariff pages to establish a new line extension policy for developers and customers requesting extension of PSNH's existing facilities to receive service under a residential or small business rate. With its filing, PSNH included the testimony and related attachments of Rhonda J. Bisson, a Senior Analyst in PSNH's Rate and Regulatory Services Department.

According to PSNH, as part of a Settlement Agreement approved by the Commission in PSNH's most recent delivery rate proceeding, *Public Service Co. of N.H.*, Docket No. DE 06-028, Order No. 24,750 (May 25, 2007), the parties and Staff agreed to review the cost of initiating service to new customer locations and compare those costs with the distribution revenue received from those customers, in order to develop a line extension policy that better aligns the costs and revenues. PSNH conducted the review, met with OCA and Staff regarding the results of the review, and filed a joint report summarizing the findings on November 1, 2007.

In its current filing, PSNH noted that its current line extension policy has been in place since July 31, 1979. According to PSNH, the current policy separately addresses line extensions for two categories of customers: (1) customers receiving delivery service under a large business rate (Rate GV or Rate LG), and (2) developers and customers receiving delivery service under a

residential (Rate R or Rate R-OTOD) or small business rate (Rate G). PSNH stated that for customers receiving service under a large business rate it currently analyzes line extension costs on a customer-specific basis to determine if an up-front contribution and/or a distribution revenue guarantee is required. PSNH stated that it does not intend to change its tariff for large business customers.

PSNH said that given the large number of requests received from developers, residential and small business customers, analysis of each individual request to determine if an up-front contribution and/or revenue guarantee is required is administratively burdensome. Under the current policy, each new customer is provided with a dedicated pole-mounted transformer, an overhead service drop with a maximum distance of 125 feet, and 300 feet of overhead distribution facilities at no charge. In addition, any installation requiring underground service and/or more than 300 feet of distribution facilities is subject to standard line extension charges and parties must sign a line extension agreement for each of several installation categories, including single-phase or three-phase, overhead or underground, and installation on private or public property.¹

PSNH proposes five major changes to its line extension policy for customers taking service under a residential or small business rate:

- (1) PSNH will no longer provide 300 feet of overhead distribution facilities at no charge.
- (2) The proposed policy will be based solely on the type of service (single-phase or three-phase) and the type of construction (overhead or underground) and will eliminate separate policies for public highways and private property line extensions.
- (3) Rather than using multiple methods to calculate the cost of line extensions, PSNH will use one method -- average cost per foot -- which will vary depending on the kind of installation.

¹ The specific terms and costs of service are contained in PSNH's Tariff No. 6, 1st revised pages 24-27.

(4) Up-front payments will be required for all line extensions.

(5) PSNH will not reallocate line extension costs between customers, thereby allowing abutting property owners to negotiate amongst themselves to determine how best to allocate the cost of the line extension prior to its construction.

PSNH states that these measures will result in improved communication with its customers, better alignment of costs and services, more efficient use of PSNH's resources and greater consistency of line extension estimates.

This filing raises, inter alia, issues related to RSA 378:7 and whether the proposed changes to PSNH's tariff and the resulting charges are just and reasonable and in the public interest. Each party has the right to have an attorney represent them at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that Public Service Company of New Hampshire's proposed tariff pages, 2nd Revised Page 24, 1st Revised Pages 25-27, and Original Page 27-A are hereby suspended in order to conduct a thorough investigation prior to rendering a final order in this proceeding; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code of Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on December 22, 2008 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code of Admin. Rule Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

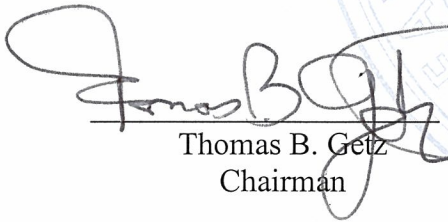
FURTHER ORDERED, that pursuant to N.H. Code of Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this

Order of Notice no later than December 5, 2008, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before December 22, 2008; and it is

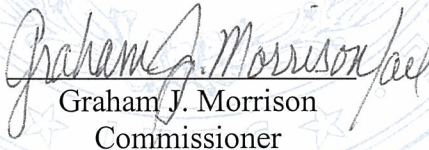
FURTHER ORDERED, that pursuant to N.H. Code of Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to PSNH and the Office of the Consumer Advocate on or before December 17, 2008, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before December 22, 2008.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of November, 2008.



Thomas B. Getz
Chairman

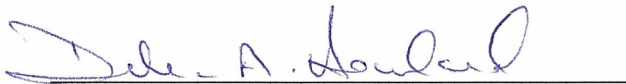


Graham J. Morrison
Commissioner



Clifton C. Below
Commissioner

Attested by:



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.