

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Petition of James Snyder Requesting Review of Line Extension Charges
Docket No. DE 12-307

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE'S OBJECTION TO MOTION
FOR REHEARING OF ORDER NO. 25,461**

Pursuant to New Hampshire Code of Administrative Rules Puc 203.07(f) and RSA chapter 541, Public Service Company of New Hampshire ("PSNH" or the "Company") hereby objects to the motion for rehearing of Order No. 25,461 filed by James Snyder on February 13, 2013. In support of its objection PSNH states as follows:

1. On October 15, 2012, James Snyder of Canterbury, New Hampshire filed a petition regarding PSNH's line extension charges included in PSNH's approved tariff. In brief, Mr. Snyder contended that PSNH's line extension charges were not fair or appropriate, and that a company with a monopoly, such as PSNH, should be required to extend service to all customers on Class V or higher roads within its service territory. According to Mr. Snyder, the costs of extensions along all Class V or higher roads should be borne by all customers.

2. On November 16, 2012, PSNH filed a motion to dismiss Mr. Snyder's petition. PSNH noted that in its 2006 rate case it was made apparent that under PSNH's prior line extension policy, existing customers were subsidizing the extension of service to new customer locations because the distribution revenue received from new customers was insufficient to recover the actual cost of initiating service. Therefore, PSNH proposed a new policy, which was the subject of settlement agreement in Docket No. DE 08-135, and which was approved by the Commission

in Order No. 25,046 (Nov. 20, 2009). In addition to avoiding the subsidies, the new policy also decreased administrative burdens while increasing customer comprehension.

3. On January 31, 2013, the Commission issued Order No. 25,461 granting PSNH's motion to dismiss. In that order the Commission concluded that:

In Order No. 25,046, we found that the proposed tariff, supported by the OCA, the HBRANH and Staff met the goals of minimizing subsidization occurring between existing customers and new customers. We also found that the proposed tariff would reduce the time PSNH spent on administering, estimating and monitoring line extensions, making the policy more straightforward and easier to understand. Overall, we concluded that the proposed tariff was just and reasonable and in the public interest. We find no evidence in the record here that would cause us to reconsider these conclusions.

Public Service Company of New Hampshire, Order No. 25,461 (Jan. 31, 2013) at 11. The Commission also stated that, "Mr. Snyder has not presented us with any new facts that would persuade us to reopen the investigation of PSNH's tariff or conduct a public forum on PSNH's line extension policy." *Id.* On February 13, 2013, Mr. Snyder filed a motion for rehearing of Order No. 25,461 contending that the Commission's reasoning regarding the issue of subsidization was "both unreasonable and illogical."

4. Pursuant to RSA 541:3, the Commission may grant rehearing or reconsideration when a party states good reason for such relief. *Public Service Company of New Hampshire*, Order No. 25,361 (May 11, 2012) at 4. Good reason may be shown by identifying new evidence that could not have been presented in the underlying proceeding or by identifying specific matters that were overlooked or mistakenly conceived by the deciding tribunal. *Id.* at 4-5. A successful motion for rehearing does not merely reassert prior arguments and request a different outcome. *Id.* at 5.

5. Mr. Snyder's motion for rehearing does not point to any new evidence or to any matters that were overlooked or mistakenly conceived by the Commission, and, as such, provides no basis upon which to grant rehearing. Instead, Mr. Snyder contends that the Commission should "assume the premise that electricity should be available on all Class V or higher roads". Based upon that assumption, Mr. Snyder then requests that the Commission reevaluate its conclusions about subsidization. There is, however, no basis for the assumption Mr. Snyder requests the Commission to make. He provides no support or justification for his assumption. Therefore, any arguments emanating from that assumption are insufficient to grant rehearing.

6. Further, as noted by the Commission in Order No. 25,461, "Accurately allocating costs to customers who cause those costs to be incurred is an important tenet of public utility ratemaking." Order No. 25,461 at 10. As noted, PSNH's new policy was proposed to address circumstances where distribution revenue was insufficient to cover the actual costs of extending service to new customer locations. Thus, it was designed to allocate costs to those who cause them and to avoid distributing those costs to others. To accept the assumption Mr. Snyder posits and to require that utilities extend service along all Class V or higher roads, regardless of whether there would ever be another customer on such roads, ignores this important principle.

7. In addition, Mr. Snyder contends that: "If landowners are required to bear the cost of extending lines in areas not served, *it is in fact they who are subsidizing future customers who will benefit from that line extension, but also existing customers enjoy the use of existing lines without having to pay anything for their construction.*" (emphasis in original). Mr. Snyder's argument relative to future customers assumes that there will be future customers. That is not an assumption upon which costs should be allocated or recovered. Also, it is not clear how the

extension of lines to new customer locations provides any benefits or enjoyments for existing customers.

8. Lastly, relative to administrative ease and customer understanding, Mr. Snyder contends that “nothing could be more straightforward and easy to understand than the idea that *all of us on public roads have access to electrical service at the end of our driveways and that we all share in the cost of ensuring that access.*” (emphasis in original). This is merely an extension of Mr. Snyder’s assumption that electricity should be available on all Class V or higher roads. As noted above, this is an unfounded assumption and it ignores the principle that the costs of constructing lines to new customer locations should be allocated to those causing the costs.

9. In Order No. 25,461, the Commission noted that it had not been provided any new facts that warranted reopening the investigation into PSNH’s tariff or conducting a public forum on PSNH’s line extension policy. Mr. Snyder’s motion for rehearing likewise raises no new facts, nor does it point to any matters that the Commission overlooked or misapprehended. Accordingly, the Commission should deny the motion for rehearing of Order No. 25,461.

WHEREFORE, PSNH respectfully requests that the Commission deny Mr. Snyder’s motion for rehearing of Order No. 25,461, and order such further relief as may be just and equitable.

Respectfully submitted,

Public Service Company of New Hampshire

2/15/13

Date

By: 

Matthew J. Fossum

Counsel

780 North Commercial Street

Post Office Box 330

Manchester, New Hampshire 03105-0330

(603) 634-2961

Matthew.Fossum@nu.com

CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached objection to be served pursuant to N.H. Code Admin. Rule Puc 203.11.

2/15/13

Date


Matthew J. Fossum