

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

IR 14-190

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, UNITIL ENERGY SYSTEMS,
INC. AND LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.**

Investigation into Line Extension Policies

ORDER OF NOTICE

On March 17, 2014, the Commission issued Order No. 25,637 which permitted a new line extension tariff to go into effect for Public Service Company of New Hampshire (PSNH). Order No. 25,637 also stated that the Commission would commence a generic proceeding regarding line extension policies and that PSNH, Unitil Energy Systems, Inc. (UES) and Liberty Utilities (Granite State Electric) Corp. (Liberty) would be mandatory parties to the investigation. This Order of Notice commences the investigation.

Currently, PSNH charges for line extension on a per-foot basis and requires the costs to be paid in full by the customer who requests the line extension before construction begins. With the implementation of its new tariff, PSNH also eliminated an allocation of the costs of a line extension between the initial customer and subsequent customers who take service from the same line extension within five-years of construction. Liberty also implemented a per-foot cost calculation for line extensions; however, Liberty retained the five-year cost allocation procedure similar to PSNH's former policy. UES likewise assesses line extension costs on a per-foot basis and provides for cost reallocation among customers.

In Order No. 25,367, the Commission expressed concern about PSNH's elimination of the cost-allocation provision, saying "[w]e are concerned that the additional customers [taking service on the line paid for by the initial customer] becomes a 'free rider' in that any such additional

customer(s) benefits from the line extension paid for in its entirety by the first customer.” Order No. 25,367 at 5. PSNH said that there were administrative costs associated with keeping records and maintaining payment information when allocating costs among new customers. This investigation will, among other things, determine what those costs are, how those costs should be recovered, and other aspects of the utilities’ line extension policies.

Subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission’s website at www.puc.nh.gov.

The filing raises, inter alia, issues related to whether a different methodology for assessing line extension charges by PSNH would be appropriate and in the public interest, whether the costs of line extension along a public way should be the same as the costs for extensions on private property and the consideration of any additional concerns raised by persons requesting intervention in this matter. Each party has the right to have an attorney represent the party at the party’s own expense. PSNH, UES and Liberty are named as mandatory parties to this proceeding.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on September 3, 2014 at 10:00 a.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 Admin. Rules Puc 203.15; and it is

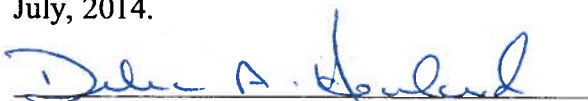
FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, UES, Liberty, the Staff of the Commission and any Intervenors hold a Technical Session to establish a procedural schedule for this proceeding; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, the Commission's Executive Director shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than July 31, 2014, 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 September 1, 2014; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, 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, UES and Liberty and the Office of the Consumer Advocate on or before September 1, 2014, 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. Code 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 September 3, 2014.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of July, 2014.



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.

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.

Executive.Director@puc.nh.gov
allen.desbiens@nu.com
amanda.noonan@puc.nh.gov
epler@unitil.com
leszek.stachow@puc.nh.gov
lois.jones@nu.com
matthew.fossum@psnh.com
ocalitigation@oca.nh.gov
sarah.knowlton@libertyutilities.com
Stephen.Hall@libertyutilities.com
suzanne.amidon@puc.nh.gov
tom.frantz@puc.nh.gov

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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
EXEC 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.