

The NHPUC generally shares in the views previously expressed by other state commissions that have filed comments in this docket. We agree that while in some limited areas less detail may be sufficient to meet regulatory requirements, in other areas greater detail may be necessary to meet changing regulatory requirements. Such new accounts would provide information that would assist state commissions as they: (1) assess appropriate prices for UNEs, collocation, and resold services, (2) determine separated jurisdictional costs, (3) review state access revenues, (4) address reciprocal compensation issues, (5) address issues relating to federal and state universal service support, and (6) investigate affiliate transactions. We note that carriers often maintain anywhere from 2,000 to 3,500 accounts in their own accounting systems.² Given that degree of accounting sophistication, we consider that meeting Class A reporting requirements, even with additional reporting, does not create an undue burden.

² CC Docket No. 00-199, Initial Comments of the National Association of Regulatory Utility Commissioners, December 21, 2000, p. 5.

In particular, NHPUC supports the Supplemental Comments filed on July 13, 2001 by the Oregon Public Utilities Commission (OPUC) addressing Class A Uniform System of Accounts (USOA).³ Because New Hampshire is a rate of return state we require detailed information relating to Account 4040, Customer Deposits, as specified by the OPUC. Further, like Oregon, New Hampshire also has a statute⁴ that requires that property held for future use and Construction Work In Progress (CWIP) be excluded from rate base and applicable operating expenses because they are considered “not used and useful.” Therefore, detailed information regarding Accounts 6561 through 6565, Depreciation and Amortization Expenses, is critical.

NHPUC also concurs with the Public Service Commission of Wisconsin’s (PSC-WI’s)⁵ assessment regarding the need for the USOA to evolve to capture changes in technologies and markets. USOA changes must meet the needs of all stakeholders during this transition period from monopoly to competitive markets. PSC-WI has asked that the FCC reconsider the following in establishing a revised Class A and Class B USOA:

- identification of affiliate versus non-affiliate amounts;
- separate identification of collocation revenues and expenses;

³ Supplemental Comments of Public Utilities Commission of Oregon (OPUC), CC Docket No. 00-199, July 13, 2001.

⁴ New Hampshire Revised Statutes Annotated, Chapter 378:30. **Public Utility Rate Base; Exclusions.** Public utility rates or charges shall not in any manner be based on the cost of construction work in progress. At no time shall any rates or charges be based upon any cost associated with construction work if said construction work is not completed. All costs of construction work in progress including, but not limited to, any costs associated with constructing, owning, maintaining or financing construction work in progress, shall not be included in a utility’s rate base nor be allowed as an expense for rate making purposes until, and not before, said construction project is actually providing service to consumers.

⁵Phase 2 Further Comments of the Public Service Commission of Wisconsin, CC Docket No. 00-199, July 12, 2001.

- isolation of flat-rate (PICC) and subscriber line charge (SLC) revenues, respectively, from other revenue sources;
- itemization of universal service support into federal and state sources, respectively;
- addition of sub-accounts for loop and interoffice transport for selected plant accounts; and,
- realignment of expense accounts to identify the costs of wholesale and retail operations, respectively.

NHPUC supports the changes as proposed by the PSC-WI as detailed in Attachment A of their Comments, because the accounts proposed more accurately reflect the current regulatory environment as well as the present state of technological development of the network. NHPUC is particularly concerned about any changes to the USOA reporting requirements which might diminish our ability to effectively evaluate wholesale versus retail accounts and affiliated transactions.

In conclusion, the New Hampshire Public Utilities Commission respectfully requests that the Commission adopt these changes to USOA. We reiterate the importance of ensuring that state commissions continue to receive the vital detailed accounting data that is necessary to allow us to perform our regulatory functions in the best possible manner. There is nothing to be gained for either ILECs or regulators by stripping away information that will then have to be re-collected separately, with a resulting lack of uniformity from state to state in reporting requirements. NHPUC's overarching concern is that the requisite reporting be detailed enough to prevent ILECs from strategically shifting costs and/or recovering costs improperly. In that event, both competition and consumers would be harmed.

Respectfully submitted,

For the

New Hampshire Public Utilities Commission

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