

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

**Public Service Company of New Hampshire
Renewable Default Energy Service Rate**

Docket No. DE 09-186

Technical Statement of Richard C. Labrecque

PSNH requests approval of the following rate for customers electing the 100% option (i.e. the option under which PSNH will procure, on the customers' behalf, Renewable Energy Certificates or "RECs" that match 100% of the customers' metered sales):

3.532 cents/kWh

For customers electing the 50% option, the rate requested is	1.766 cents/kWh
For customers electing the 25% option, the rate requested is	0.883 cents/kWh

The derivation of the 100% option rate is provided below.

Target REC Products

As stated in testimony and at hearing, PSNH will procure RECs from facilities that are either i) certified as a New Hampshire Class I or Class II resource in accordance with RSA 362-F:4, or ii) are capable of earning certification under RSA 362-F:4, I or II. PSNH will establish an initial goal of procuring RECs in the approximate ratio of 98% Class I and 2% Class II. This ratio is consistent with the ratio established for Renewable Portfolio Standard compliance in RSA 362-F:3 for the year 2025.

Current REC Market Prices

Attachment 1 to this Technical Statement is a REC quote summary prepared on January 22, 2010 by Spectron Energy Inc (Spectron).

New Hampshire Class I RECs (2010 vintage) are listed at \$32 (bid price) and \$36 (offer price). For the purposes of establishing this rate request, PSNH has elected to use the mid-point of the bid and offer prices, i.e. \$34 per REC.

There is no current listing for New Hampshire Class II RECs with a 2010 vintage. New Hampshire Class II RECs (2009 vintage) are listed at \$75 (bid price) and \$125 (offer price). For the purposes of establishing this rate request, PSNH has elected to use the mid-point of the bid and offer prices, i.e. \$100 per REC.

REC Market Price Trends

PSNH has reviewed Spectron quote summaries that were published over the preceding seven months, i.e. since June 2009. The prices noted above are identical to the prices published in December 2009. Between June 2009 and November 2009 the New Hampshire Class I quotes were \$36 (bid price) and \$39 (offer price) and the New Hampshire Class II quotes were \$100 (bid price) and \$125 (offer price).

Rate Calculation

Using a Class I price of \$34, a Class II price of \$100, and a 98% / 2% ratio, the resulting price for the 100% option is 3.532 cents/kWh.

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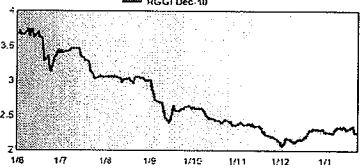
Friday 22 January 2010

EMISSIONS

S02			CAIR Annual NOx			EUA		
	Bid	Offer		Bid	Offer		Bid	Offer
2009	67	71	2009	690	710	Spot	12.95	13.00
2010	34	42	2010	560	890	Dec-10	13.14	13.18
2011	30	39	2011	490	510	Dec-11	13.58	13.62
2012	28	37	CAIR Ozone Seasonal NOx			Dec-12	14.35	14.39
2013	25	32	2010	50	70	Dec-13	15.36	15.40
2014	24	31	2011	10	25			
2015	7	16						
2016	6	15						
RGGI								
	\$/short ton							
Dec-10	2.25	2.27				CER		
Dec-11	2.28	2.46				Dec-10	11.52	11.57
Dec-12	2.34	2.61				Dec-11	11.56	11.61
RECLAIM NOx						Dec-12	12.01	12.06
Cycle 1 2009	0.60	1.20				RECLAIM SOx		
Cycle 2 2009	1.25	2.50				Cycle 1 2009	0.50	1.00
Cycle 1 2010	2.00	3.75				SOUTH COAST and SAN JOAQUIN ERCs		
Cycle 2 2010	2.00	4.00				NOx	Available solely to trading clients	
						SOx	enviro.us@spectrongoroup.com	
						SC ROG and SJ VOC	Available solely to trading clients	
						PM10	enviro.us@spectrongoroup.com	

COMPLIANCE RENEWABLE ENERGY CREDITS

NEPOOL

Massachusetts Class I			Maine New			Rhode Island Existing		
2009	26.00	29.00	2009	23.00	27.00	2010	1.00	1.25
2010	30.00	33.00	2010	26.00	31.00			
2011	35.00	42.00						
Massachusetts Class II			Maine Existing			New Hampshire Class I		
2009	12.00	22.00	2009	0.15	0.20	2009	30.00	35.00
2010	10.00	25.00	2010	0.15	0.35	2010	32.00	36.00
2011	10.00	25.00						
Connecticut Class I			Rhode Island New			New Hampshire Class II		
2009	23.00	25.00	2009	30.00	33.00	2009	75.00	125.00
2010	26.00	29.00	2010	32.00	36.00			
2011	29.00	32.00						
Connecticut Class II						New Hampshire Class III		
2009	0.50	0.70				2009	23.00	28.00
2010	0.75	1.25				2010	23.00	28.00
Connecticut Class III						New Hampshire Class IV		
2009	12.00	14.00				2009	25.00	27.00
2010	16.00	18.00				2010	25.00	27.00
PJM								
New Jersey Class I			Pennsylvania Tier I			Maryland Tier I		
2010	4.00	5.00	2010	1.50	2.25	2010	1.00	1.50
2011	10.25	11.25	2011	4.00	5.00	2011	1.00	1.50
2012	13.00	14.00				2012	1.25	2.25
New Jersey Class II			Pennsylvania Tier II			Maryland Tier II		
2010	0.50	1.00	2010	0.05	0.45	2010	0.15	0.35
2011	0.75	1.25	2011	0.10	0.50	2011	0.15	0.50
						2012	0.15	0.65
New Jersey SREC			Pennsylvania SREC			Maryland Solar		
2010	665.00	675.00	2010	300.00	350.00			
2011	600.00	650.00						
			Illinois Wind			Delaware New		
			2009	6.00	7.00	2009	4.00	8.00
						2010	9.00	12.00
DC Tier I			Note: Illinois is a member of PJM and MISO 			Delaware Existing		
2009	1.00	2.00				2009	0.75	1.25
2010	1.00	1.75	2010	1.00	1.25			
2011	1.25	2.25						
DC Tier II						Delaware SREC		
2009	0.15	0.50						
2010	0.15	0.50						
2011	0.15	0.65						
TEXAS								
Texas REC								
2009	0.95	1.15						
2010	1.00	1.15						
2011	1.75	2.75						

VOLUNTARY RENEWABLE ENERGY CREDITS

National Green-e Certifiable Wind			WECC Green-e Certifiable Wind			National Green-e Certifiable Any Technology		
Back Half 2003	0.80	0.95	Back Half 2003	4.50	5.50	Back Half 2003	0.80	0.95
Front Half 2009	0.80	0.95	Front Half 2009	5.00	6.00	Front Half 2009	0.80	0.95
Back Half 2009	0.95	1.15	Back Half 2009	5.50	7.50	Back Half 2009	0.95	1.15
Front Half 2010	1.00	1.15				Front Half 2010	1.00	1.15



**2009, 2008 & 2007
Broker of the Year**

New England 2009 Broker of the Year

2008 US Emissions House of the Year **energy risk**

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NHPUC No. 6 - ELECTRICITY DELIVERY
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

SUPPLEMENT NO. 7
RENEWABLE SERVICE OPTIONS UNDER
DEFAULT ENERGY SERVICE RATE DE

TARIFF
for
ELECTRIC DELIVERY SERVICE
Applicable
in
Various towns and cities in New Hampshire,
served in whole or in part.

(For detailed description, see Service Area)

Issued:

Issued by: _____

Effective:

Title: _____

DEFAULT ENERGY SERVICE RATE DE

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for energy and capacity in conjunction with the applicable Delivery Service Rate Schedule. It is available to those Customers who are not receiving Supplier Service or Self-Supply Service. In addition, renewable service options are available to Customers who are not enrolled in the Residential Electric Assistance Program Rate EAP and have not been approved to receive electric service payment assistance through the Fuel Assistance Program administered by a Community Action Agency.

Notwithstanding any other Tariff provision or Special Contract terms, no discount shall be applied to this rate.

RATE PER MONTH

Per Kilowatt-Hour

Energy Charge

8.96¢

RENEWABLE SERVICE OPTIONS

The Company will purchase and retire a sufficient number of new renewable generation resource certificates ("Certificate") to match the kilowatt-hour usage associated with the Customers enrolled in a renewable service option. A Certificate represents one thousand kilowatt-hours of electricity generated by a generation resource physically located in New England that is certified by the Commission as a Class I or Class II generation resource under the New Hampshire Electric Renewable Portfolio Standard or is capable of earning certification under the New Hampshire Renewable Portfolio Standard. The Company is not required to purchase Certificates simultaneously with Customer usage. Certificates supporting the renewable service options under this rate schedule will be acquired by the Company such that up to 30% of one calendar year's Certificate requirements could be satisfied with Certificates produced in either of the previous two calendar years or during the first quarter of the subsequent calendar year.

Issued:

Issued by: _____

Effective:

Title: _____

- 100% Renewable Service Option - The Company will purchase Certificates to match a Customer's total kilowatt-hour usage.
- 50% Renewable Service Option - The Company will purchase Certificates to match 50% of a Customer's total kilowatt-hour usage.
- 25% Renewable Service Option - The Company will purchase Certificates to match 25% of a Customer's total kilowatt-hour usage.

The Company will use reasonable efforts to purchase Certificates, but does not guarantee the availability of Certificates. In the event Certificates are not available or cannot be purchased at a reasonable cost, the Company shall make a payment to the Renewable Energy Fund created pursuant to the New Hampshire Electric Renewable Portfolio Standard in lieu of purchasing Certificates.

Beginning in 2011 the Company will submit a report to the Commission annually by July 1st to document the number of Certificates purchased and retired by the Company on behalf of Customers receiving service under the renewable service options during the preceding calendar year.

The Customer must notify the Company to initiate service under a renewable service option. In the event the Company can process the Customer request to initiate service prior to the Customer's next regularly scheduled meter read date, the next bill rendered by the Company shall include a charge for the renewable service option chosen by the Customer. Otherwise, the subsequent bill rendered by the Company shall include a charge for the renewable service option chosen by the Customer. The Company shall confirm customer acceptance of the date that service will be initiated under a renewable service option, i.e. either the most recent meter read date or the next subsequent meter read date.

The Customer must notify the Company to discontinue service under a renewable service option. In the event the Company can process the Customer request to discontinue such service prior to the Customer's next regularly scheduled meter read date, the next bill rendered by the Company shall not include a charge for the renewable service option. Otherwise, the subsequent bill rendered by the Company shall not include a charge for the renewable service option.

Issued:

Issued by: _____

Effective:

Title: _____

RATE PER MONTH - RENEWABLE SERVICE OPTIONS

100% Renewable Service Option Charge:	3.532¢ per kilowatt-hour in addition to the Energy Charge
50% Renewable Service Option Charge:	1.766¢ per kilowatt-hour in addition to the Energy Charge
25% Renewable Service Option Charge:	0.883¢ per kilowatt-hour in addition to the Energy Charge

Issued:

Issued by: _____

Effective:

Title: _____

Renewable Default Energy Service Options
Incremental Monthly Bill Impacts Based on a Price = 3.532 Cents/KWH

		Price = 3.532 ¢/KWH		
	Monthly KWH	25% Option Monthly Bill Impact	50% Option Monthly Bill Impact	100% Option Monthly Bill Impact
Residential	500	\$4.42	\$8.83	\$17.66
Small Business	10,000	\$88.30	\$176.60	\$353.20