

October 28, 2012

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit St. Suite 10
Concord, NH 03301



RE: DE 11-216, Public Service Company of New Hampshire
Alternative Default Energy Service Rate
Public Comment

Dear Executive Director Howland:

Usource, Inc., while not a formal intervenor in the subject proceeding, has been following this proceeding and appreciates the opportunity to file a public comment with the Commission. Usource is a broker of electricity and natural gas supply in 18 states including New Hampshire, where Usource is registered as an electricity and natural gas aggregator. Usource has more than 1,200 clients and manages over \$500 million annually in energy contracts. Usource is a non-regulated affiliate of Unifil Corporation.

Based on its review of the testimony filed in this proceeding, Usource believes that approval of the proposed Alternative Default Energy Service Rate ("ADE") for Public Service Company of New Hampshire ("PSNH") would serve as an impediment to the continued development of a robust and sustainable competitive energy services market for PSNH customers. In effect, the proposal introduces a low cost Default Service option specifically intended to attract as many customers as possible back from the competitive energy services market in order to mitigate a concern with escalating Default Service prices. The new regulated ADE would be in direct competition to competitive energy services.

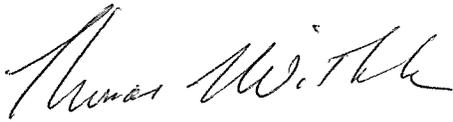
Usource believes that such an option will be highly disruptive to the business and marketing plans of competitive energy suppliers in New Hampshire. This is a particularly important concern at this point in time because the competitive energy services market is in an active developmental stage where significant short-term changes in the regulatory environment can have very long term consequences on market development. The result of introducing the ADE will be the deterioration in the health and vibrancy of the competitive market in New Hampshire, with consequent long-term negative consequences for New Hampshire consumers.

The introduction of a low-cost Default Service option such as the ADE violates the concept of Default Service as the "option of last resort" by introducing a regulated pricing option

that competes directly with competitive energy services. Usource recommends that the Commission reject the proposed ADE in this proceeding. At the same time, we recognize the validity of the concerns with escalating Default Service prices and would suggest that the PUC initiate a process forthwith to determine appropriate solutions to those concerns that do not disrupt the developing competitive energy service market in New Hampshire.

Thank you for your consideration of our comments. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas F. Withka". The signature is written in a cursive style with a large initial 'T'.

Thomas F. Withka
Managing Director