

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

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

Docket No. DE 11-216

**Joint Technical Statement of
Christopher J. Goulding and Frederick B. White**

October 31, 2014

A. Purpose of Technical Statement

This Technical Statement is being submitted to explain proposed modifications to Public Service Company of New Hampshire’s Rate Alternate Default Energy (ADE) proposal filed on September 15, 2014. Upon further examination of the Rate ADE proposal PSNH identified potential refinements to the initial proposal. Those potential refinements were discussed with the parties at the Technical Session on October 29, 2014, and are intended to address specific issues such as timing of the effective date of Rate ADE and the handling of current Rate ADE customers.

B. Changes to Proposal filed September 15, 2014

Broadly, the proposed changes are to the effective date and the handling of current Rate ADE customers. The below tables summarize the relevant provisions of PSNH’s initial and modified proposal for comparative purposes.

Modified Proposal		
Prior to Feb 1, 2015	Rate Option Effective Feb 1, 2015	Rate Available
<ul style="list-style-type: none"> • Any LG/GV/B customer enrolled as a PSNH Default Energy (DE) Rate or an Alternate Default Energy (ADE) Rate customer on January 31, 2015 	<ul style="list-style-type: none"> • Customer will continue on the PSNH DE Rate until the customer chooses to leave for competitive supply; customer is free to take competitive supply at any point 	<ul style="list-style-type: none"> • Rate DE: Annually calculated rate – historically updated for July 1
<ul style="list-style-type: none"> • Any LG/GV/B customer enrolled as a competitive supply customer on January 31, 2015 	<ul style="list-style-type: none"> • Should the customer return to take energy service from PSNH the customer will return to Rate ADE unless the customer opts to take Rate DE with a 12 month commitment 	<ul style="list-style-type: none"> • Rate ADE: Monthly marginal rate plus a non O&M scrubber adder (no commitment to remain with PSNH); or • Rate DE: Annually calculated rate – historically updated for July 1 (requires 12 month commitment)

Current Proposal filed September 15, 2014		
Prior to Jan 1, 2015	Rate Option Effective Jan 1, 2015	Rate Available
<ul style="list-style-type: none"> Any LG/GV/B customer enrolled as a PSNH Default Energy (DE) Rate customer on December 31, 2014 	<ul style="list-style-type: none"> Customer will continue on the PSNH DE Rate until the customer chooses to leave for competitive supply 	<ul style="list-style-type: none"> Rate DE: Annually calculated rate – historically updated for July 1
<ul style="list-style-type: none"> Any LG/GV/B customer enrolled as a PSNH Alternate Default Energy (ADE) Rate customer on December 31, 2014 	<ul style="list-style-type: none"> Customer will continue on PSNH ADE Rate until customer chooses to leave for competitive supply 	<ul style="list-style-type: none"> Rate ADE: Monthly marginal rate plus a non O&M scrubber adder (default rate)
<ul style="list-style-type: none"> Any LG/GV/B customer enrolled as a competitive supply customer on December 31, 2014 	<ul style="list-style-type: none"> Customer will continue on competitive supply until the customer chooses to return to take energy service from PSNH at which point monthly Rate ADE is the only option available 	<ul style="list-style-type: none"> Rate ADE: Monthly marginal rate plus a non O&M scrubber adder (default rate)

The Company believes that the changes outlined above in the modified proposal will allow Large and Medium C&I customers the opportunity to make an informed decision on their energy needs. Specifically, by shifting the effective date from January 1 to February 1, the affected customers are being provided with additional time during which to assess their energy needs and preferences. Further, by allowing customers on PSNH’s Rate DE and Rate ADE prior to February 1 to take service under Rate DE with no commitment, those customers will be protected from potential rate shock by being required to take a variable rate with little advance notice. Lastly, this amended proposal will allow the affected customers who return to take default energy service from PSNH after February 1, 2015 to choose between 2 rate options: 1. Rate ADE which will be a monthly marginal rate plus a non O&M scrubber adder calculated in the same manner Rate ADE is calculated presently; or 2. Rate DE, PSNH’s annual default energy service rate, so long as the customer commits to remain with PSNH’s service for 12 months. In the event an affected customer returns after February 1, PSNH would enroll the customer on the monthly-variable Rate ADE, unless the customer affirmatively chooses Rate DE and the required time commitment.

C. Unchanged from Proposal filed September 15, 2014

The following areas will remain unchanged from the Company’s proposal filed on September 15, 2014:

- Eligibility for Rate ADE will be for Large and Medium C&I customers
- Rate ADE will be calculated and set monthly consistent with the calculation described on page 7 and 8 of our proposal filed on September 15th, 2014
- The Company will file by December 15, 2014 the forecasted monthly Rate ADE for January thru December, 2015 consistent with its December ES filing for illustrative purposes. By January 15, 2015 these monthly rates will be updated

to ensure they reflect up to date marginal prices. At that time the rate for February, 2015 will become fixed, and the remaining forecast months will be updated for illustrative/indicative purposes.

- Rate ADE will no longer close

D. Summary

The company believes that the proposal for Rate ADE, with the modifications addressed above, strikes an appropriate balance between protecting customers and addressing the issues outlined in the letter of the Staff and OCA, as well as the Commission's secretarial letter. The modifications will permit PSNH to provide appropriate default service, while at the same time facilitating customer choice, and minimizing or avoiding the potential harm to customers who stay with PSNH's Rate DE.