

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

DE 09-158

ORDER OF NOTICE

On August 27, 2009, Public Service Company of New Hampshire (PSNH) filed with the New Hampshire Public Utilities Commission (Commission) a request for approval of tariff revisions proposing certain changes to PSNH's PeakSmartPlus program. PSNH's filing included a technical statement in support of its petition for approval. In its filing, PSNH proposes to change certain program design elements and relevant tariff provisions governing the company's Voluntary Interruptible Program Rate (Rate VIP). PSNH requested expedited approval of the proposed changes.

PSNH proposes to revise its Rate VIP to continue the current ISO New England Demand Program Option, known as the PeakSmartPlus program, beyond its expiration date of May 31, 2010. PSNH proposes to revise the existing program to include direct administration by PSNH and funding through Forward Capacity Market (FCM) revenues received from the Independent System Operator for New England (ISO-NE) for CORE Energy Efficiency Programs. The PeakSmartPlus program currently is funded through FCM Transition Period payments, which run from December 1, 2006, through May 31, 2010. Beginning June 1, 2010, demand response assets must have obtained a capacity supply obligation through a Forward Capacity Auction (FCA) in order to continue receiving payments. PSNH has not participated in FCAs to-date with its PeakSmartPlus program. In the instant petition, PSNH seeks Commission approval to offer a modified PeakSmartPlus program beyond the May 31, 2010 cut-off date. PSNH proposes to

continue the current program, based on ISO-NE's 30 Minute Real-Time Demand Response program, with the following modifications:

- Fund the program with Forward Capacity Market (FCM) revenues paid to PSNH in exchange for the capacity reductions resulting from CORE programs. In the event of a shortfall, PSNH proposes to fund the deficit through the System Benefits Charge.
- Allow PSNH the flexibility to also initiate load reductions when PSNH anticipates ISO-NE will reach a system peak.
- Pay program participants 75% of the Adjusted Clearing Price of ISO-NE's FCAs.
- Limit the liability for PeakSmartPlus payments by placing a ceiling of 20 megawatts (MW) on the number of MWs that may participate, subject to periodic review.

PSNH further requests a waiver of the thirty-day notice requirement set forth in RSA 378:3 and Puc 1603.07(a)(1). Under those provisions, any change in rates, fares, charges or prices must be preceded by thirty days' notice to the public, unless otherwise ordered by the Commission. Accordingly, PSNH requests a decision by October 1, 2009, so that it would be in a position to participate in the third FCA in early October. Alternatively, PSNH has requested a decision no later than December 1, 2009 to enable PSNH and its customers to consider available options.

The filing raises, inter alia, issues related to the merits of continuing the existing PeakSmartPlus program, and whether the proposed changes to the PeakSmartPlus program are reasonable and in the public interest.

Each party has the right to have an attorney represent them at their own expense.

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 October 2, 2009 at 10 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. Rule Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 21, 2009, 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 October 2, 2009; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, 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 and the Office of the Consumer Advocate on or before September 29, 2009, 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 October 2, 2009.

By order of the Public Utilities Commission of New Hampshire this fifteenth day
of September, 2009.



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.

