

DE 05-181

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Stranded Cost Charge Adjustment for 2006

Order *Nisi* Approving Revised Stranded Cost Charge

O R D E R N O. 24,554

December 2, 2005

On November 15, 2005 the New Hampshire Electric Cooperative, Inc. (NHEC), filed with the New Hampshire Public Utilities Commission (Commission) testimony and supporting documents seeking authority to change its Stranded Cost Charge effective with bills rendered on and after January 1, 2006. NHEC is proposing to decrease the Stranded Cost Charge from the current rate of 1.795 cents per kilowatt-hour to 1.627 cents per kilowatt-hour, which would result in a 1.2 percent reduction in total average stranded cost revenue. The rate change would cause the bill of a residential customer using 500 kilowatt-hours per month to decrease from \$76.37 to \$75.53 if there were no other changes to NHEC's rates.

On January 1, 2006, NHEC also plans to change certain other rates not regulated by the Commission. Specifically, the NHEC expects to increase its Regional Access Charge to cover higher transmission costs imposed by the regional transmission grid operator, ISO New England. NHEC further plans to reduce its Delivery Charge. According to the NHEC, the overall intention of all rate changes is to maintain the average residential ratepayer's monthly bill at its present level.

NHEC calculates the Stranded Cost Charge by dividing the total stranded costs for the period by forecasted kilowatt-hour sales, with actual costs and revenue reconciled on a monthly basis. The decrease is due primarily to reductions in its debt service costs. The Stranded

Cost Charge includes amortization of the Seabrook regulatory asset and the amortization of a regulatory asset associated with the termination of NHEC's wholesale power contract with Public Service of New Hampshire, both of which the Commission approved in Docket No. DR 98-097. We have reviewed NHEC's filing and find the proposed changes to the 2006 Stranded Cost Charge are just and reasonable.

Based upon the foregoing, it is hereby

ORDERED *Nisi*, that subject to the effective date below, that New Hampshire Electric Cooperative, Inc. be authorized to change its Stranded Cost Charge effective with all bills rendered on and after January 1, 2006 from 1.795 cents per kilowatt-hour to 1.627 cents per kilowatt-hour; and it is

FURTHER ORDERED, that the Petitioner shall cause a copy of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than December 12, 2005 and to be documented by affidavit filed with this office on or before January 3, 2006; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than December 19, 2005 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than December 27, 2005; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective January 3, 2006, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Petitioner shall file a compliance tariff with the Commission on or before December 16, 2005, in accordance with N.H. Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this second day of December, 2005.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Michael D. Harrington
Commissioner

Attested by:

Lori A. Normand
Assistant Secretary