

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

DE 07-096

ORDER OF NOTICE

On April 21, 2008, Public Service Company of New Hampshire (PSNH) filed a petition, with supporting testimony and schedules, requesting an increase to its energy service rate effective with bills rendered on and after July 1, 2008. According to PSNH, the current energy service rate is 8.82 cents per kilowatt hour (kWh) and, based on its current calculations, the new rate is estimated to be 9.25 cents per kWh. As is customary with PSNH's past mid-year energy service filings, PSNH intends to update its projected costs and rate calculations prior to hearing.

Pursuant to N.H.RSA 369-B:3,IV(b)(1)(A), the price for PSNH's energy service shall be PSNH's actual, prudent and reasonable costs of providing the power, as approved by the Commission. According to PSNH, the energy service rate for calendar year 2008 became effective on January 1, 2008. *See* Order No. 24,814 (December 28, 2007). Since that time, PSNH said, there have been significant increases in the current market prices for various cost components that exceed the prices used when previously forecasting its 2008 energy service rate. Specifically, PSNH identified increases that have occurred in the commodity cost of coal, coal transportation, market purchases and oil. PSNH projected that, without an increase in its energy service rate for the remainder of 2008, its total energy service under-recovery would be \$17.3 million by the end of the year.

PSNH stated that on July 1, 2008 it will begin using a new customer service billing system and requested that the Commission approve the change to its energy service rate by June 24, 2008 to allow PSNH sufficient time to test the rate change on the new billing system.

Concurrent with its filing, PSNH filed a separate request in docket DE 07-097 for a mid-year adjustment to its stranded cost recovery charge effective July 1, 2008.

Additionally, on April 30, 2008, PSNH filed a request docketed as DE 08-071 to adjust its distribution rates, effective July 1, 2008, to recover costs associated with its major storm cost reserve. On May 14, 2008, PSNH also filed for an annual adjustment to its transmission cost adjustment mechanism also effective July 1, 2008, docketed as DE 08-069. For administrative efficiency, the Commission will hold hearings in each of the four proceedings on the same date; however, each proceeding will be separately noticed.

The filing raises, inter alia, issues related to whether the energy service rate is based on PSNH's actual, prudent and reasonable costs of providing such power consistent with RSA 369-B:3, V(b)(1)(A), whether the resulting rates are just and reasonable as required by RSA 378:5 and 8 and whether PSNH should apply the new rate on a bills-rendered basis. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that, pursuant to N.H. Admin. Rules Puc 203, a hearing on this petition and PSNH's other rate adjustment filings be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 11, 2008 beginning at 9:00 a.m.; and it is

FURTHER ORDERED, that the sequence of hearings on that date shall be as follows: DE 08-071 (distribution rate); DE 07-096 (energy service rate); DE 07-097 (stranded cost recovery charge); and DE 08-069 (transmission cost adjustment mechanism); and it is

FURTHER ORDERED, that pursuant to N.H. 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 May 22, 2008, 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 June 11, 2008; and it is

FURTHER ORDERED, that pursuant to N.H. 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 June 6, 2008, 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. 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 June 11, 2008.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of May, 2008.



Debra A. Howland
Executive Director & Secretary



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.