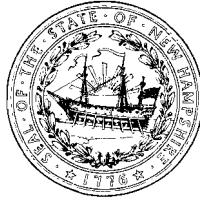


THE STATE OF NEW HAMPSHIRE

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AND SECRETARY
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November 4, 2010

Re: DE 09-170, 2010 CORE Energy Efficiency Program
RSA 125-O:5 II Set-Aside
Approving Settlement Agreement

To the Parties:

In its Order No. 25,099 (April 30, 2010) approving revised 2010 Core budgets, the Commission noted that PSNH and interested parties intended to more closely review PSNH's 2% set-aside of Systems Benefit Charge funds pursuant to 125-O:5 II and found it to be in the public interest that PSNH temporarily desist from committing any new funds from the set-aside until the agreed-upon review was complete (p. 14). On July 13, 2010, the OCA filed a Settlement Agreement on behalf of PSNH, Staff and the OCA purportedly resolving all outstanding 125-O issues.

The Settlement Agreement establishes a process to be used for determining the 125-O set-aside amount going forward, including the following: an amount to be used for starting balance and a methodology for calculating the annual amount of funds, if any, that will be available for the set-aside; a detailed spreadsheet showing the development of the annual RSA 125-O set-aside amounts; detailed spreadsheet reconciling general ledger transactions with program year transactions; a transfer to Core programs of certain funds (*i.e.* \$275,669) previously identified as RSA 125-O funds (p. 8); a provision for Core Parties and Staff to consult each year with PSNH on the amount of funds available for RSA 125-O set-aside); the projects under consideration and a dispute-resolution process if there are any disagreements; and, a cap (*i.e.* \$600,000) on total accumulation of RSA 125-O funds .

Regarding the terms of the settlement agreement, the Commission has determined that the public interest is served by the OCA's, PSNH's and Staff's ability to resolve all outstanding issues associated with the RSA 125-O:5 II set-aside funds. Accordingly, the Commission has approved the settlement agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland", written over a horizontal line.

Debra A. Howland
Executive Director

cc: DE 10-188