

**Public Service Company of New Hampshire
Renewable Energy Service Rate Annual Review
Docket No. DE 09-186**

I. INTRODUCTION

In Order No. 25,080 issued March 5, 2010 in Docket DE 09-186, the Commission approved a partial settlement agreement between PSNH and the Commission's Staff regarding implementation of PSNH's proposed Renewable Energy Service Rate. The partial settlement provided, in part, that after the program had been in place for twelve months, PSNH would provide a report to the Commission Staff providing details of program participation in each of the three rate options and all incremental marketing and promotion costs associated with the program. PSNH's Renewable Default Energy Service Rate became effective on May 1, 2010. This report complies with the reporting requirements contained in the partial settlement.

II. PROGRAM ASSESSMENT

Under PSNH's Renewable Default Energy Service Rate, PSNH's Default Energy Service customers have the opportunity to support the development of new renewable sources of generation in New England. PSNH purchased and retired, on the participating customers' behalf, 194 Renewable Energy Certificates (RECs) from new renewable sources of generation in New England that match either all or a portion of the customers' actual energy use. Customers taking service under the Renewable Default Energy Service Rate have been billed at the Default Energy Service Rate plus an additional charge (in cents per kilowatt-hour) based on the renewable option chosen.

The monthly comparison of customer count, by rate option from May 2010 through April 2011 is shown in the table below.

Customer Enrollment Public Service of New Hampshire Renewable Energy Service Rate Program Customers By Month				
	25% Option	50% Option	100% Option	Total
10-May	7	2	7	16
10-Jun	15	13	20	48
10-Jul	17	15	22	54
10-Aug	18	15	25	58
10-Sep	18	17	29	64
10-Oct	18	18	32	68
10-Nov	21	21	36	78
10-Dec	25	23	43	91
11-Jan	27	22	43	92
11-Feb	27	24	45	96
11-Mar	29	25	46	100
11-Apr	31	23	49	103

III. RENEWABLE ENERGY CERTIFICATE COSTS

Under PSNH's Renewable Default Energy Service Rate, PSNH is required to purchase and retire RECs based on customer usage and participation in the program. PSNH's customers taking service under the Renewable Default Energy Service Rate offset 392,370 kilowatt-hours from May 2010 – April 2011. The table below contains information regarding the number, type, cost, and source of RECs purchased by PSNH:

Renewable Energy Certificate Purchases				
Class	Units	Cost/REC	Total Cost	Seller
Class I*	190	\$ 15	\$ 2,907	Black Bear Hydro
Class II	4	\$ 40	\$ 160	Conservation Services Group
Total	194		\$ 3067	

*Includes broker fee of two percent

IV. MARKETING COSTS

The program allows for PSNH to seek recovery through Distribution rates of its marketing and promotion costs associated with the program. The total marketing costs incurred by PSNH during the first year of the program was \$72,716.97. The table below shows a listing of all costs incurred.

Marketing Expenses May 2010 – April 2011			
Date	Vendor	Description	Amount
10-Apr	Lynn Wood Design	Design, layout, production of welcome packet	\$1,100.00
10-Apr	Wold & Associates	Marketing copy	\$3,500.00
10-May	Reimbursement	Reimburse Paulette Faggiano for logo trademark fee	\$50.00
10-Jun	Allied Printing	Print & Ship Letter/Survey (5000)	\$1,942.00
10-Jun	Allied Printing	Print & Ship Brochure (5000)	\$1,415.00
10-Jun	Lynn Wood Design	Misc design work	\$4,500.00
10-Jun	Allied Printing	Print & ship stickers (5000)	\$1,056.00
10-Oct	Lynn Wood Design	Misc design work	\$2,500.00
10-Dec	Allied Printing	Direct Mail Campaign	\$11,648.00
10-Dec	Connelly Partners	Green Rate Print Production	\$6,089.56
10-Dec	Connelly Partners	Green Rate Ads - Creative	\$14,000.00
11-Jan	Connelly Partners	Print Ads - January Campaign	\$24,023.60
11-Jan	Connelly Partners	Fix Green Rate Ads	\$892.81
		Total:	\$72,716.97

PSNH will continue to market the Renewable Default Energy Service Rate using the plan described in the table below to be implemented in the coming twelve months. It is PSNH's intention to repeat this plan every twelve months. A request to recover the incremental costs associated with marketing the Renewable Default Energy Service Rate is pending before the Commission in Docket DE 11-082.

Proposed Marketing Expenses May 2011 – April 2012

Item	Estimated Cost
Direct Mail Campaign - June (15,000 customers)	\$ 7,800
Print Ad Campaign July	\$ 25,000
Ad Insert-NH Home Magazine Green Living Guide (November)	\$ 995
Ad Insert - NH Home Magazine (6x/year)	\$ 2,200
Direct Mail Campaign - January (15,000 customers)	\$ 7,800
Print Ad Campaign February	\$ 25,000
Misc Printing/Creative	\$ 10,000
Total	\$ 78,795