

DE 09-186 – Public Service Company of New Hampshire

Renewable Default Energy Service Rate – Annual Review

May 1, 2011-April 30, 2012

Public Service Company of New Hampshire

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1. Introduction

In Order No. 25,080 issued March 5, 2010 in Docket DE 09-186, the New Hampshire Public Utilities Commission (“the Commission”) approved a partial settlement agreement between Public Service Company of New Hampshire (“PSNH”) and the Commission’s staff regarding the adoption of PSNH’s proposed Renewable Default Energy Service Rate. The partial settlement agreement requested that after the program had been in place for twelve months PSNH would provide details of program participation and a summary of marketing and promotion costs associated with the program. Furthermore, in Order No. 25,324, dated January 31, 2012, the Commission requested that a similar report be filed following the second 12-month period of operation of the program. This report complies with the requirements contained in the partial settlement agreement.

2. Program Participation by Customer Class

The monthly breakdown by customer class and the associated kWh are provided in the following table:

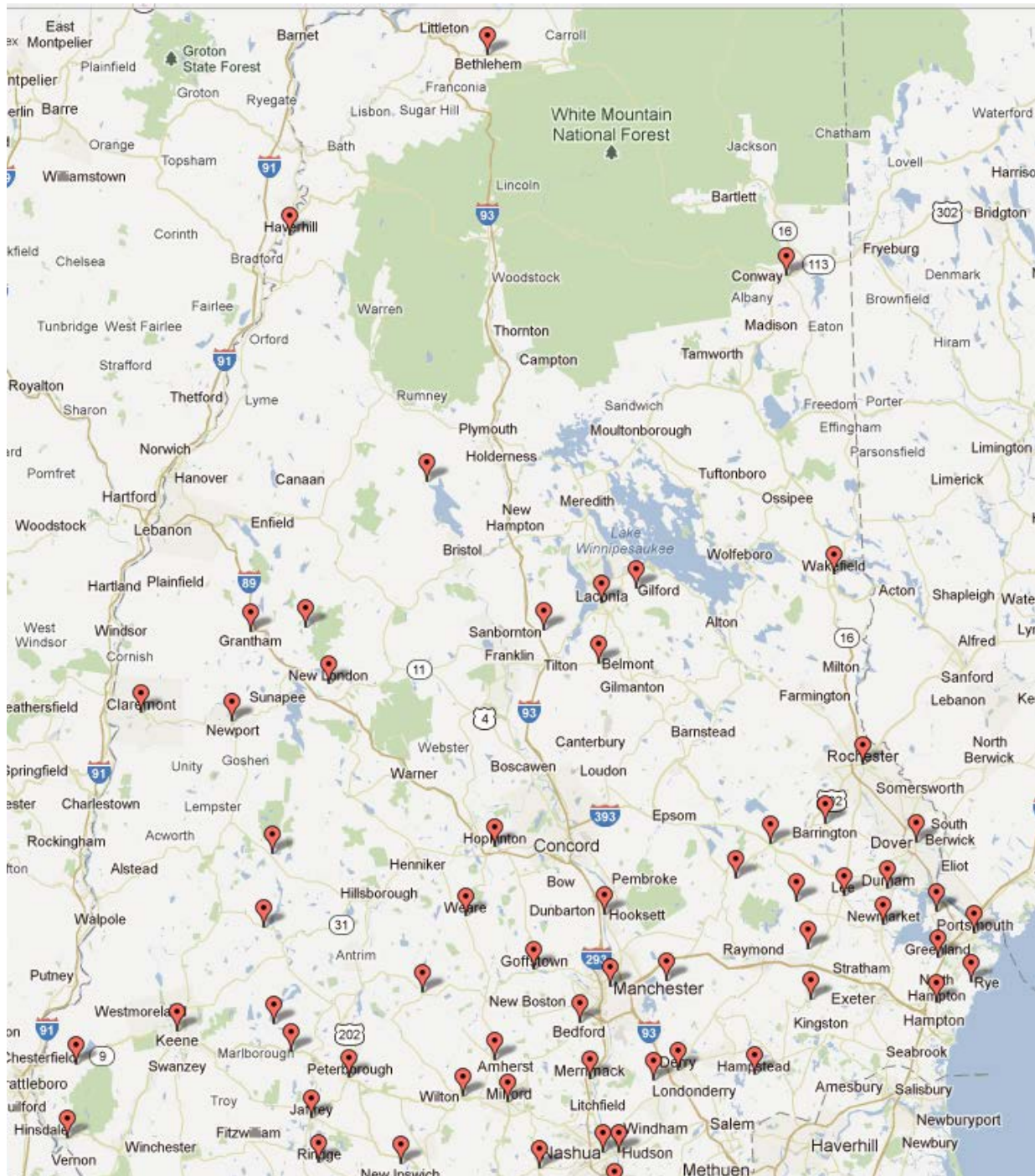
Public Service of New Hampshire Renewable Default Energy Service Rate Program Details By Month										
	Customers					KWH Offset				
	25% Option	50% Option	100% Option	Total		25% Option	50% Option	100% Option	Total	
May-11	31	24	55	110		10,328	5,464	29,651	45,443	244,334
Jun-11	37	27	67	131		12,004	6,604	39,339	57,947	302,281
Jul-11	38	27	70	135		9,426	7,562	44,773	61,761	364,042
Aug-11	37	27	71	135		10,413	7,575	47,909	65,897	429,939
Sep-11	39	31	75	145		11,648	7,808	44,332	63,788	493,727
Oct-11	43	41	85	169		12,962	11,214	49,133	73,309	567,036
Nov-11	42	41	87	170		12,271	11,290	48,025	71,586	638,622
Dec-11	40	38	88	166		13,028	10,756	48,498	72,282	710,904
Jan-12	41	38	84	163		14,953	13,173	55,798	83,924	83,924
Feb-12	39	39	87	165		13,950	13,059	54,290	81,299	165,223
Mar-12	41	41	77	159		13,210	12,739	44,454	70,403	235,626
Apr-12	40	40	80	160		13,462	11,541	41,353	66,356	301,982

At the end of the second 12-month operation period of the program (April 30, 2012), there were a total of 160 customers enrolled in the Renewable Default Energy Service Rate program. There are currently 455,043 eligible customers, which results in a participation rate of 0.04%. At the end of the first 12 months of the program the participation rate was 0.02%.

3. Geographic Distribution of Customers

At the end of the second 12-month operation period of the program Renewable Default Energy Service Rate customers were located in 62 towns in PSNH’s operating territory – representing approximately

30% of towns covered by PSNH. The following map indicates the spread of Renewable Default Energy Service Rate customers across the State:



3. Customer Survey Results

When a PSNH customer signs up for the Renewable Default Energy Service Rate they receive a welcome letter and a survey asking them why they signed up for the program and other customer characteristics.

The following is a summary of survey responses received during the second 12-month operating period of the program:

PSNH EarthSmart Green Rate Survey					
Total Surveys Received: 61					
Age of Customer	18-25	8%	55-65	23%	
	26-34	20%	66 +	25%	
	35-54	25%	No reply	0%	
Annual Household Income	Up to \$20,000	10%	\$101,000-150,000	15%	
	\$21,000-\$50,000	30%	\$151,000 or more	11%	
	\$51,000-\$80,000	15%	No reply	7%	
	\$81,000-\$100,000	13%			
Highest Level of Education	Grade School or Less	0%	College Graduate	43%	
	High School Graduate	7%	Post Grad Degree	41%	
	Vocational School/Tech	0%	No reply	0%	
	Some College	10%			
Are you registered to vote in NH?	Yes	95%			
	No	5%			
	No reply	0%			
How many years have you been a PSNH customer	Less than 1 year	11%	> 10 years	61%	
	2-5 years	18%	No reply	0%	
	6-10 years	10%			
What level of participation did you sign up for?	25%	18%	100%	54%	
	50%	26%	No reply	2%	
Would you say the info you received about the program was clear?	Agree	44%	Disagree	5%	
	Somewhat Agree	51%	No reply	0%	
How did you learn about Green Rate?	PSNH.com	25%	News Story	3%	
	Bill Insert	57%	Friend/Relative	8%	
	Newsletter	3%	Other	3%	
	Email	0%	No Reply	0%	
Which message is most compelling to you?	Developing More Renewables	54%	Reducing Dependence on fossil	23%	
	Reducing Emissions	23%	No reply	0%	
How would you describe the decision to sign up?	Not Difficult	79%	Very Difficult	0%	
	Somewhat Difficult	21%	No reply	0%	
About what aspect of the program did you think the most about?	The monthly cost	26%	The enviro impact of membership	38%	
	Where the money goes	36%	No reply	0%	
What enviromental organizations do you belong to?	Audubon Society	18%	Local conservation cmte	5%	
	Sierra Club	18%	Other	13%	
	Society/Protection of NH Forests	2%	None	39%	
	Nature Conservancy	5%			

4. Marketing and Promotion Costs

PSNH's marketing plan during the second 12-month period involved the following:

- Use of branded web site: www.psnh.com/greenrate
- Social media such as Facebook and Twitter
- Articles in employee newsletter
- Articles in Living with Energy billing insert
- Radio tags on New Hampshire Public Radio
- Tags on company's IVR system
- Brochure distribution at trade shows
- Stand alone "buck slip", aka bill stuffer
- Newspaper ads in Manchester Union Leader, Concord Monitor, Nashua Telegraph, Keene Sentinel, Foster's Daily Democrat, Laconia Daily Sun, Conway Daily Sun and New Hampshire Home Magazine; as well as web banner ads on WMUR.com

The following lists marketing expenses incurred during the second 12-months of the program:

PSNH RDES Marketing Costs May 2011-April 2012

Date	Vendor	Description	Amount
Aug-11	Connelly Partners	Media Insert	\$ 1,626.63
Sep-11	Lynn Wood Design	Green Rate Bill Stuffer/Buck Slip	\$ 1,200.00
Oct-11	Connelly Partners	Media Insert - WMUR.com	\$ 5,000.00
Oct-11	Connelly Partners	Media Insert	\$ 23,090.20

5. Renewable Energy Certificates

Under PSNH's Renewable Default Energy Service rate, PSNH purchases and retires renewable energy certificates (RECs) from renewable generation which is certified as Class I (new) and Class II (solar PV) facilities pursuant to RSA 362-F, New Hampshire's Electric Renewable Portfolio Standard law. The RECs are purchased to match all or a portion of the customer's actual energy use during the calendar year (as opposed to the program year), depending on the participation level chosen by the customer. During the calendar year 2011 Renewable Default Energy Service Rate customers offset a total of 710,904 kWh. To date 397 Class I RECs have been purchased towards that offset, leaving a total of 300 Class I and 14 Class II RECs that need to be purchased and retired before the 2011 NEPOOL GIS accounting closes on June 15, 2011.

6. Conclusion

After two years of operating the Renewable Default Energy Service Rate, the customer participation rate remains low despite the marketing dollars spent. The Company's intention going forward – and agreed to by Commission Staff and OCA – is to utilize low cost means of marketing the program such as the website, bill stuffers, etc.