



**Public Service
of New Hampshire**

DE 11-216
780 N. Commercial Street, Manchester, NH 03101

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A Northeast Utilities Company

Heather Tebbetts
Senior Analyst, NH Revenue Requirements

February 18, 2014

NHPHC 18FEB14PM2:31

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

**Re: DE 11-216; Public Service Company of New Hampshire
Alternative Default Energy Service Rate ADE Forecast Marginal Costs**

Dear Ms. Howland:

On April 8, 2013 the Commission issued Order No. 25,488 approving a settlement agreement between Commission Staff, the Office of Consumer Advocate and Public Service Company of New Hampshire ("PSNH") regarding PSNH's proposal to implement an alternative default energy service rate, Rate ADE. Rate ADE became effective on July 1, 2013.

Under paragraph 2.3.3 of the settlement, PSNH agreed to monitor its forecasted marginal costs on a monthly basis and compare those forecasts to the marginal costs used to calculate the price for Rate ADE, and provide such reports to the Commission by the 15th day of the month. The settlement agreement further provided that if projections of marginal costs for the remaining months of the period increased by more than 75% of the amount of the adder as defined under the settlement, Rate ADE would be closed temporarily to returning customers.

Based on the forecasted marginal costs for Rate ADE over the remaining term, on March 1, 2014 this rate will no longer be available to customers who have received Supplier Service or Self-Supply Service for at least twelve consecutive months and wish to return to PSNH. Any customer returning to energy service will be required to take service under Default Energy Service Rate DE.

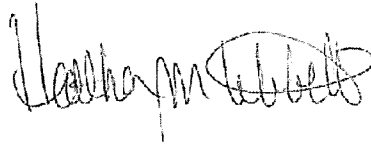
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Rate ADE may be re-opened if PSNH's subsequent monthly filings with the Commission show that its revised projections as compared to the original projections are within 75% of the amount of the adder used to determine the currently-effective price under this rate.

This report is being filed electronically with one paper copy being sent to the Commission.

We would be pleased to respond to any questions the Commission may have on this report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Heather Tebbetts", with a large, stylized flourish at the end.

Heather Tebbetts
Senior Analyst, NH Revenue Requirements

Enclosure

cc: Service List (by electronic mail only)