



**Public Service
of New Hampshire**

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A Northeast Utilities Company

Sarah B. Knowlton
Senior Counsel

June 4, 2012

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429



**Re: DE 12-110 Public Service Company of New Hampshire
Petition for Step Adjustment and Increase to Major Storm Cost
Reserve Charge**

Dear Ms. Howland:

As directed by the Commission's Order of Notice in the above docket, Public Service Company of New Hampshire has caused to be published a copy of the Order in The Union Leader on May 23, 2012.

Enclosed is the required affidavit of publication with a copy of the legal notice attached.

Very truly yours,

Sarah B. Knowlton
Senior Counsel

SBK:mlp
Enclosures

603899

UNION LEADER CORPORATION

P O BOX 9513
MANCHESTER, NH 03108

PUBLIC SERVICE - LEGALS
ATTN ANNETTE MAYO
PO BOX 330
MANCHESTER NH 03105

I hereby certify that the legal notice of PUBLIC UTILITIES/DE12-110,
PO number:DE-12-110 was published in the New Hampshire Union Leader
and/or New Hampshire Sunday News, newspapers printed at Manchester, NH
by the Union Leader Corp.

On :

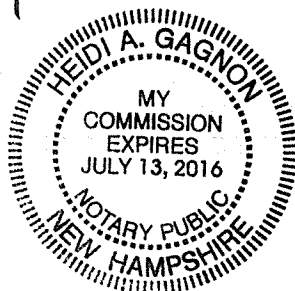
05/23/2012

State of New Hampshire
Hillsborough County
Subscribed and sworn to before me this

23rd day of May, 2012

Heidi A. Gagnon

Notary Public



Legal Notice

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
DE 12-110
PUBLIC SERVICE COMPANY OF NEW
HAMPSHIRE
Petition for Step Adjustment and
Increase to Major Storm Cost Reserve
Charge**

ORDER OF NOTICE

On April 27, 2012, Public Service Company of New Hampshire (PSNH) filed a petition for a step adjustment to its distribution rates pursuant to a Settlement Agreement approved by the Commission in Order No. 25,123 (June 28, 2010) in Docket No. DE 09-035, PSNH's most recent distribution rate case. PSNH filed a supporting technical statement and related schedules with its petition. PSNH seeks approval of the step adjustment for effect on July 1, 2012.

The Settlement Agreement provided for a series of step adjustments to PSNH's distribution rates on July 1, 2011, July 1, 2012 and July 1, 2013. The Commission approved the first of the step adjustments for effect on July 1, 2011 in Order Nisi No. 25,240 (June 24, 2011) in Docket No. DE 11-095. PSNH now seeks the second of those step adjustments. Section 2 of the Settlement Agreement sets forth the elements of the step adjustment, including a projected step increase for effect on July 1, 2012 to recover the revenue requirements associated with 80% of changes to PSNH's non-reliability enhancement program (non-REP) net plant balances for the period April 1, 2011 through March 31, 2012. PSNH stated that at the time the Settlement Agreement was approved, PSNH had projected a change in non-REP net plant of \$76 million for the period April 1, 2011 through March 31, 2012 with an associated revenue requirement of \$9.5 million. The actual change in non-REP net plant for the year ending March 31, 2012 was \$56 million, resulting in an associated revenue requirement of \$7 million. PSNH requested that \$7 million be added to distribution rates for recovery on a service-rendered basis as of July 1, 2012.

Also in this filing, PSNH requested that the Commission permit the Company to commence recovery of certain consultant costs as part of the July 1, 2012 step adjustment. The consultant costs were incurred in connection with a review of the PSNH's uncollectible expense that was required by Section 8.1 of the Settlement Agreement. The Settlement Agreement provided that PSNH should be allowed to defer and recover the cost of the completed review over a 12-month period by including the associated costs in one of the three annual step adjustments. PSNH requested that it be allowed to commence recovery of these costs through distribution rates as part of the July 1, 2012 step adjustment. At the time of the filing, PSNH estimated the final cost for the consultant to be approximately \$72,000, less than the \$100,000 limit on these costs imposed by the Settlement Agreement. PSNH said it would provide a final actual total once the last invoice for the consultant service is processed.

In addition to these changes allowed by the Settlement Agreement, PSNH also requested authority to increase the annual accrual to the Major Storm Cost Reserve to the amount of \$7 million per year from the current funding level of \$3.5 million per year. PSNH said that the increase is necessary to recover costs incurred by the Company in repairing damage to its electrical system caused by the August 2011 tropical storm and the October 2011 snow storm. According to PSNH, absent the increase, the net unrecovered storm costs would be \$14.6 million. PSNH said that the Company is proposing to begin recovery at this point to reduce carrying charges on the unrecovered balance. The Company stated that it recognizes that the Commission will review all storm costs and determine the exact level that is appropriate for recovery in a separate proceeding. According to PSNH, Section 7.3 of the Settlement Agreement provided that the Settling Parties may recommend a revision of the funding level for the Major Storm Cost Reserve.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2012/12-110.html>.

The filing raises, inter alia, issues related to whether the filing complies with the settlement agreement approved in Docket No. DE 09-035 and whether the costs incurred were prudently incurred; whether the proposed increase to the Major Storm Cost Reserve is reasonable and in the public interest; and whether the resulting rates are just and reasonable pursuant to RSA 378:7. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 21, 2012 at 1:30 p.m.; and it is

FURTHER ORDERED, that pursuant

to N.H. Code 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 24, 2012, 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 21, 2012; and it is

FURTHER ORDERED, that pursuant to N.H. Code 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 18, 2012, 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. Code Admin. Rule Puc 203.17 and RSA 541-A:32,1(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before June 21, 2012.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of May, 2012.

Debra A. Howland
Executive Director

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.
(UL - May 23)