

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 12-291

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2013 Stranded Cost Recovery Charge

ORDER OF NOTICE

On September 28, 2012, Public Service Company of New Hampshire (PSNH or Company) filed a petition to set its Stranded Cost Recovery Charge (SCRC) for effect with service rendered on and after January 1, 2013. In support of its petition, PSNH filed the testimony of Robert A. Baumann with related exhibits and attachments.

The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH Restructuring in Docket No. DE 99-099 (Restructuring Agreement). According to the petition, the Restructuring Agreement defined PSNH's stranded costs and categorized them into three different parts—Part 1, Part 2 and Part 3. The SCRC was established to recover costs for all three Parts. The Restructuring Agreement capped the SCRC at an overall average rate of 3.40 cents per kilowatt- hour (kWh).

PSNH said that Part 3 costs were fully recovered in June 2006. The Restructuring Agreement states that once Part 3 costs are fully recovered, the SCRC will be set on a forecasted basis every six months and will include any over- or under-recoveries of Part 1 and Part 2 stranded costs from the previous period. Part 1 is composed of the Rate Reduction Bond (RRB) charge, which is calculated to recover the principal, net interest and fees related to RRBs. Part 2 costs are “ongoing” stranded costs consisting primarily of the over-market value of energy

purchased from independent power producers (IPPs) and the amortization of payments previously made for IPP buy-downs and buy-outs as approved by the Commission.

Pursuant to Order No. 25,381 (June 27, 2012), PSNH is currently billing an average SCRC rate of \$0.0188 per kWh for the six-month period from July 1, 2012 through December 31, 2012. Based on the data available at the time of the filing of the instant petition, PSNH offered its preliminary calculation of an average SCRC rate of \$0.0079 per kWh for service rendered on and after January 1, 2013. PSNH said that the estimated decrease of \$0.0109 in the average SCRC rate is primarily due to the full amortization of RRBs at the end of April 2013. In addition, higher projected 2013 market costs resulted in an estimated annual decrease of approximately \$11 million in projected over-market IPP costs. PSNH stated that it is not requesting approval of a specific rate at this time and that it will update its estimates with more recent data prior to hearing.

PSNH also filed a petition to set its 2013 energy service rate (Docket No. DE 12-292) on September 28, 2012. The prehearing conference for the instant docket will be held at 10:00 a.m. on October 24, 2012 and the prehearing conference in Docket DE 12-292 will be held at 10:30 a.m. on October 24, 2012. A joint technical session on both dockets will follow the conclusion of both prehearing conferences. 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/Docket/2012/12-291.htm>.

The filing raises, *inter alia*, issues related to whether PSNH's assumptions and estimates of costs and revenues are reasonable and whether the resulting rates are just and reasonable as

required by RSA 378:5 and 378:8. 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 Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 24, 2012 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

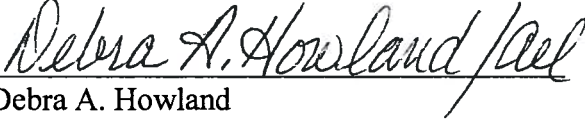
FURTHER ORDERED, that as stated above, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session following the prehearing conference to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

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 October 12, 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 October 24, 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 October 19, 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,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said
Objection on or before October 24, 2012.

By order of the Public Utilities Commission of New Hampshire this ninth day of
October, 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.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.