

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

DE 12-291

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Request to Adjust Stranded Cost Recovery Charge

ORDER OF NOTICE

On May 2, 2013, Public Service Company of New Hampshire (PSNH) filed a request, with supporting testimony and schedules, to make a mid-term adjustment to its Stranded Cost Recovery Charge (SCRC) rate on a service-rendered basis effective July 1, 2013. The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH's Restructuring in Docket No. DE 99-099 (Restructuring Agreement). PSNH requested approval of the adjustment by June 27, 2013 to allow sufficient time to test its billing system for this change and all other rate changes proposed for effect July 1, 2013.

The Restructuring Agreement defined PSNH's stranded costs and categorized them into three different parts (Part 1, Part 2 and Part 3), all of which are recovered through the SCRC rate. Part 1 SCRC is calculated to recover the principal, net interest, and fees associated with the rate reduction bonds (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 approved by the Commission. Part 3 costs, which are primarily the amortization of non-securitized stranded costs, were fully recovered as of June 2006.

The Commission approved the current average SCRC rate of 0.737 cents per kilowatt-hour (kWh) in Order No. 25,477 (December 28, 2012) entered in the instant docket. In the

current filing, PSNH projects a decrease in the average SCRC rate from 0.737 cents per kWh to 0.385 cents per kWh. PSNH stated that the primary reason for the proposed decrease is that market prices of energy are higher than initially forecasted which, in turn, decreased the over-market portion of purchases from the IPPs included in the SCRC. In addition, the current SCRC rate was set higher than necessary in order to satisfy the requirements of RSA 369-B:4 to provide for the full recovery of principal, interest and credit enhancement associated with the RRBs. PSNH said that the RRBs are now retired and consequently there is no need to continue to include the additional amount in the average rate level. PSNH said that prior to the hearing it will file updated projections of costs along with actual experience through May 2013.

The Office of Consumer Advocate previously filed a letter on October 11, 2012 indicating that it would participate in this docket pursuant to RSA 363:28

The petition and subsequent docket filings, other than any 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/2012/12-291.html>.

The filing raises, inter alia, issues related to whether PSNH's calculation and estimates of costs and revenues are reasonable and whether the resulting rates are just and reasonable as required by RSA 378:5 and 8. Each party has the right to have an attorney represent the party at the party's own expense.

In addition to the proposed adjustment to the SCRC, PSNH proposes for effect July 1, 2013 a mid-term adjustment to its energy service rate in Docket No. DE 12-292, a change to its Transmission Cost Adjustment Mechanism (TCAM) (no filing as yet), and a step adjustment to its distribution rates (Docket No. DE 13-127). The hearing in DE 12-292 is scheduled for June 19, 2013. The remaining three dockets have hearings scheduled for June 20, 2013, with the

hearing in the instant docket to be held at 9:00 a.m. followed by the hearing in PSNH's TCAM docket at 9:30 a.m., and the hearing in DE 13-127 at 11:00 a.m.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing, 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 June 20, 2013 at 9:00 a.m.; and it is

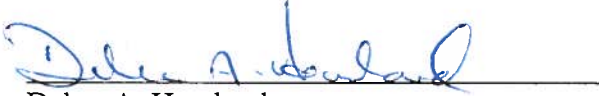
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than May 23, 2013, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before June 17, 2013; 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 17, 2013, 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 June 20, 2013.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of

May, 2013.

A handwritten signature in blue ink, appearing to read "Debra A. Howland", is written over a horizontal line.

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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Docket #: 12-291-1 Printed: May 14, 2013

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.