

DR 98-012
GRANITE STATE ELECTRIC COMPANY

January 2000 Retail Delivery Rate Filing

Order Nisi Approving Retail Delivery Rates for January 1, 2000
through December 31, 2000

O R D E R N O. 23,399

February 3, 2000

On December 1, 1999, Granite State Electric Company (GSEC or the Company) filed with the Commission a petition to adjust retail rates for usage on and after January 1, 2000. The petition seeks to adjust GSEC's stranded cost charge, transition service charge, transmission charge, system benefits charge, stranded cost deferral account, and distribution surcharge. GSEC proposes to reduce its Stranded Cost Charge, on average, by \$0.003 per kilowatt-hour from \$0.0108 per kilowatt-hour to \$0.0078 per kilowatt-hour due to a decrease in the contract termination charges billed to GSEC by New England Power Company (NEP), the details of which are included in Docket DE 99-192, Reconciliation of Contract Termination Charge to Granite State Electric Company from New England Power Company. NEP expects to convene technical sessions during February of 2000 with respect to the Contract Termination Charge (CTC). Any adjustment to the CTC, based upon those sessions, will be incorporated, along with a return, into NEP's future CTC to GSEC. The Company's

Transition Service Charge is scheduled to increase from \$0.0350 per kilowatt-hour to \$0.0380 per kilowatt-hour as approved in Docket DR 98-012, Order No. 23,041. A transition service adjustment factor of \$0.00049 per kilowatt-hour was calculated based on an over collection of \$373,495. The Company proposes to issue the credit to all customers using a separate reconciliation factor. The average Transmission Service Charge is proposed to increase by \$0.00045 per kilowatt-hour to \$0.00659 per kilowatt-hour due to an under-collection of transmission expense in 1999 and an increase in forecasted transmission expense for 2000. The Systems Benefits Charge (SBC) for the Interim Low Income Program is currently over-collected by over \$800,000. The Company proposes to reduce the SBC to \$0.00014 per kilowatt-hour and establish a separate refund factor of \$0.00219 per kilowatt-hour to be credited over the first six months of 2000. The Distribution Surcharge, which is scheduled to remain in effect until June 30, 2000, is proposed to increase by \$0.00171 per kilowatt-hour to \$0.00252 per kilowatt-hour. The Company projects that it will over-refund its Stranded Cost Deferral Account by approximately \$47 thousand dollars which it proposes to include in its next stranded cost charge reconciliation. Overall, GSEC's proposed rate changes will

increase the monthly bill for a typical 500 kilowatt-hour residential customer by 2.79 percent or \$1.30.

On January 3, 2000 a letter was sent to the Parties from the Commission's Executive Director and Secretary outlining GSEC's petition for retail rate adjustments and Report on Reconciliation of Contract Termination Charge which allowed the proposed rates to go into effect on January 1, 2000 and scheduled a technical session on January 12, 2000 for all interested parties. On January 12, 2000 a technical session was held at the Commission and attended by representatives from the Company and Commission Staff. No interventions were requested nor did any party request a hearing on the issues contained in the Company's retail delivery rate proposal.

COMMISSION ANALYSIS

Based upon our review of the filed testimony, supporting materials and Staff's recommendation, we find the rate adjustments and reconciliations proposed in this filing to be just and reasonable. We agree with the Company's proposal to refund the transition service adjustment factor to all customers based upon the fact that nearly all of Granite State Electric Company's customers were on transition service for the full 12 months of 1999. Providing a separate

reconciliation factor will prevent reduction of the effective transition rate, ensuring customers receive a proper price signal for transition service.

Based upon the foregoing, it is hereby

ORDERED NISI, that the rates outlined in Granite State Electric Company's January 2000 Retail Rate Filing, filed December 1, 1999 are approved as filed; and it is

FURTHER ORDERED, that the Petitioner shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than February 10, 2000 and to be documented by affidavit filed with this office on or before February 21, 2000; and it is

FURTHER ORDERED, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than February 18, 2000; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than February 24, 2000; and it is

FURTHER ORDERED, that this Order Nisi shall be

effective March 3, 2000, unless the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Petitioner shall file a compliance tariff with the Commission on or before March 3, 2000, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this third day of February, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary