

DR 98-097

NEW HAMPSHIRE ELECTRIC COOPERATIVE

Proposed Restructuring Surcharge

Order Approving Restructuring Surcharge

O R D E R N O. 23,880

December 31, 2001

On August 31, 2001, the New Hampshire Electric Cooperative (Cooperative) filed with the New Hampshire Public Utilities Commission (Commission) a request for approval of a revised Restructuring Surcharge. The Cooperative proposed to maintain its current Restructuring Surcharge rate of \$0.00056 per kilowatt-hour (kWh) through December 31, 2001, followed by a decrease to \$0.00052 per kWh effective with bills rendered on or after January 1, 2002. Taken in isolation, the effect on a residential ratepayer's monthly bill with usage of 500 kWh would be a decrease of \$0.02.

Instead of proposing an adjustment to the Surcharge rate to be effective on the anniversary date of the original implementation, the Cooperative proposed, for administrative ease and for rate stability, that the adjustment not be made until January 1, 2002, the same time that other rate components - the Energy Assistance Program Charge and the Stranded Cost Charge - will change. Had the Cooperative changed the Surcharge Rate on the anniversary date of October 1, 2001, the impact of the change would have been minimal (less than 0.1%) and would not have

justified the administrative burden that is involved when changing rates. Therefore, the Cooperative proposed to maintain the current surcharge of \$0.00056 per kWh through December 31, 2001, and then decrease the rate to \$0.00052 per kWh on January 1, 2002.

Additionally, the Cooperative requested that the Commission waive the requirement to file Compliance Tariff pages until after the Commission issues an order in the Cooperative's other January 2002 rate filings to avoid the potential confusion of having multiple tariff pages with varying rates effective January 1, 2002.

The Cooperative proposed \$241,545 in restructuring expenses. This amount includes restructuring expenses for the year 2000 amounting to \$235,609 along with other prior-year true-ups, including interest. The Cooperative proposed recovery over the January 1, 2002, through September 30, 2002, time period. The proposed amount of \$241,545, when divided by forecast sales for that period, excluding special contracts, yields the proposed surcharge rate of \$0.00052 per kWh effective January 1, 2002.

The Cooperative's Restructuring expenses for the year 2000 are the last to be approved for recovery through the Restructuring Surcharge. If there is any over or under recovered amounts at the end of September, 2002, the Cooperative proposed to absorb such amounts into their cost of operations on September

30, 2002.

Under the relevant provisions of the Electric Utility Restructuring Act, the Commission is authorized "to order such charges...that are necessary to implement restructuring and that are substantially consistent with the principles established in this chapter." RSA 374-F:4, VIII(a); see also RSA 374-F:3 (listing applicable policy principles). For the reasons set forth above, the Cooperative's proposed restructuring surcharge is consistent with this standard and is therefore appropriate as approved.

Based upon the foregoing, it is hereby

ORDERED, that the Restructuring Surcharge rate of \$0.00052 per kWh, for the period January 1, 2002 through September 30, 2002 is APPROVED; and it is

FURTHER ORDERED, that the Petitioner shall file a compliance tariff with the Commission on or before January 14, 2002, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New
Hampshire this thirty-first day of December, 2001.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Kimberly Nolin Smith
Assistant Secretary