

DE 02-144

Public Service Company of New Hampshire

Revised Special Contract Amendments

Order Nisi Approving Model Contract Amendments

O R D E R N O. 24,126

February 14, 2003

I. BACKGROUND

In Order No. 23,443 issued on April 19, 2000 (Docket No. DE 99-099), the New Hampshire Public Utilities Commission (Commission) approved a proposal that would provide special contract customers of Public Service Company of New Hampshire (PSNH) with three options concerning their ability to choose an alternative energy supplier. Those options were: retain the special contract, with prices dictated by the special contract; have the special contract partially unbundled whereby the customer may select a competitive supplier have the energy charges reduced by \$.044 per kWh; or terminate the special contract. In Order No. 23,443, PSNH was directed to file contract amendments that reflected the option selected by each special contract customer.

On April 3, 2001, PSNH made a filing that consisted of five model amendment forms. The Commission took no action on the April 3, 2001 filing and PSNH did not execute any of the five model amendments with any of its special contract customers. On August 1, 2002, PSNH filed with the Commission

three revised model contract amendment forms to replace the five model forms that had been filed April 3, 2001.

The revisions concern three types of special contracts:

A. Contracts with energy charges based on a formula including the Fuel and Purchase Power Adjustment Clause (FPPAC) Rate and the FPPAC Base Amount (BA);

B. Contracts with energy charges based on a formula including the FPPAC Rate, the FPPAC BA, and the Nuclear Decommissioning Charge; and,

C. Customers taking service under a Special Contract with pricing based on a discount from standard tariff rates.

The model amendments filed in April of 2001 were based upon the pricing terms contained in the Special Contract and whether or not a competitive energy supplier was chosen. Consequently, under contracts falling under categories A and B above, Special Contract customers would be required to execute two separate amendments upon choosing a competitive energy supplier. According to PSNH, if the Commission approves the model amendments in this docket, PSNH Special Contract customers would be able to execute a single amendment in the event they chose a competitive energy supplier, thereby streamlining the process and facilitating easier access to the competitive energy market.

PSNH states in its filing that Commission approval of these model amendments eliminates the need to request approval for each individual contract amendment filed with the Commission. Upon approval of the model amendments, PSNH states that it would immediately execute these amendments with its Special Contract customers, which would then allow these customers to easily access the competitive energy market. According to PSNH, in many cases offers made by competitive suppliers are available for only a short period of time. Therefore, customers who wish to take advantage of a competitive supplier's offer must have the ability to make a decision quickly. Special Contract customers with executed and filed contract amendments would be in a position to enter into agreements with competitive energy suppliers at any point in time during the term of their Special Contracts.

PSNH states that in the event Special Contract customers choose a competitive energy supplier, total revenue from Special Contract customers as a whole will continue to cover all costs and contribute positively to stranded cost recovery.

II. COMMISSION ANALYSIS

We have reviewed the proposed model amendments and notes that these model forms, if executed, would constitute an amendment of a Special Contract and not a new Special Contract within the meaning of RSA 378:18-a, II and III. Our review is

pursuant to RSA 378:18, which permits a public utility to enter into a Special Contract if special circumstances exist which render departure from tariffed rates just and consistent with the public interest. The Commission has already conducted a public interest review of the existing Special Contracts to which the proposed model amendments apply, and we use the same standard in reviewing the proposed model amendment.

Having conducted such review, we find the proposed amendments are in the public interest as their use simplifies the process whereby PSNH Special Contract customers can move to a competitive energy supplier. In addition, PSNH has stated that such customers will continue to contribute to stranded cost recovery, which is part of the Restructuring Settlement Agreement (*Order No. 23,433, pp. 259-262*). We note that PSNH must continue to file executed amendments to Special Contracts with the Commission for review and approval, and to keep the Commission informed periodically as to the elections that such customers have made with respect to the options available to them in the post-restructured market for electricity.

Based upon the foregoing, it is hereby

ORDERED NISI, that subject to the effective date below the three model amendments to Special Contracts are approved; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire shall continue to comply with the requirements of Order 23,443, to inform the Commission on a quarterly basis as to the elections that Special Contract customers make with respect to options available to them; 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 24, 2003 and to be documented by affidavit filed with this office on or before March 10, 2003; 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 March 3, 2003; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than March 10, 2003; and it is

FURTHER ORDERED, that this Order Nisi shall be effective March 14, 2003 unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of February, 2003.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary