

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

DE 06-125

ORDER OF NOTICE

On May 18, 2007, Public Service Company of New Hampshire (PSNH) filed with the Commission a petition, along with supporting testimony and schedules, requesting a reduction to the company's Default Energy Service (ES) rate from the current rate of 8.59 cents per kilowatt-hour (kWh) to 7.88 cents per kWh effective with bills-rendered on and after July 1, 2007.

Pursuant to N.H. RSA 369-B:3,IV(b)(1)(A), the price for PSNH's default energy service shall be PSNH's actual, prudent, and reasonable costs of providing the power, as approved by the Commission. PSNH states that it recovers the cost of supplying energy to its customers who choose to receive default service from PSNH through the ES rate. As explained in testimony, the PSNH energy service rate is forecasted, and reconciled once actual costs are known.

According to PSNH, the current ES rate took effect January 1, 2007 for the twelve month period from January through December 2007. *See* Order No. 24,714 (December 15, 2006). Since that time, PSNH states that there has been a decrease in current market prices from the level used to forecast the current 8.59 cents per kWh ES rate. That decrease, coupled with other operational issues that have lowered the ES costs, has created an over-recovery of \$27.1 million. PSNH says that the \$27.1 million is made up of an actual over-recovery of \$25.2 million through April 2007 and a projected over-recovery of \$1.9 million for the period May through December 2007.

As stated in its filing, the types of costs included in its filing are consistent with past ES filings with one exception. Pursuant to the Settlement Agreement in the company's delivery service rate proceeding, Docket No. DE 06-028, the proposed mid-term adjustment to ES rates includes \$1,015,000 in uncollectible expense applied to July through December 2007. This amount is 50 percent of the total annual uncollectible amount of \$2,030,000 attributable to default energy service. The Commission approved the Settlement Agreement in Order No. 24,750 (May 25, 2007).

The filing raises, inter alia, issues related to whether the energy service rate is based on PSNH's actual, prudent and reasonable costs of providing such power consistent with RSA 369-B:3, V(b)(1)(A), whether the resulting rates are just and reasonable as required by RSA 378:5 and 8, and whether PSNH should apply the new rate on a bills-rendered basis. **Each party has the right to have an attorney represent them at their own expense.**

Based upon the foregoing, it is hereby

ORDERED, that, pursuant to N.H. Admin. Rules Puc 203.09(j), a Technical Session will be held on June 7, 2007 at 9:00 a.m. at the Commission's office located at 21 S. Fruit St., Suite 10, Concord, New Hampshire to review the petition, allow PSNH to provide any amendments or updates to its filing, and permit discovery by Staff and intervenors; and it is

FURTHER ORDERED, that a Hearing pursuant to N.H. Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 21, 2007 at 10:00 a.m.; and it is

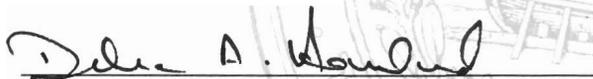
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than June 5, 2007, in a newspaper with general circulation in those portions of the state

in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before June 21, 2007; and it is

FURTHER ORDERED, that pursuant to N.H. 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 19, 2007, 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. 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 21, 2007.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of May, 2007.



Debra A. Howland
Executive Director & Secretary

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.