



**Public Service
of New Hampshire**

PSNH Energy Park
780 North Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire
P.O. Box 330
Manchester, NH 03105-0330
(603) 669-4000
www.psnh.com

The Northeast Utilities System

September 26, 2007

Debra A. Howland
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Re: **DE 07-097**
PSNH Petition for Adjustment of SCRC

Dear Ms. Howland:

As directed by the Commission's Order dated September 14, 2007, Public Service Company of New Hampshire has caused to be published a legal notice relative to the above-captioned docket. Enclosed is the affidavit of publication from The Union Leader, together with the tear sheet, certifying publication of the Order on September 20, 2007.

Very truly yours,

Gerald M. Eaton
Senior Counsel

GME/jpg
Enclosure

SEP 26 2007

tion. PSNH indicates that the update will be consistent with market price assumptions embedded in the energy service (ES) update and will be filed at the same time that it updates its 2008 ES rate calculations in Docket No. DE 07-097. The SCRC and ES cost projections work in unison because one component of costs, purchases of energy and capacity from independent power producers (IPPs), is recovered through the SCRC (the over-market portion) with the market value of those costs recovered via the ES charge.

According to PSNH's preliminary analysis, the 2008 average SCRC rate will be 0.88 cents per kWh, or 0.55 cents per kWh lower than the current average rate of 1.43 cents per kWh. PSNH states that the primary reason for the SCRC rate reduction is the decrease of more than \$21 million in over-market IPP costs in 2008 due to the expiration of several IPP rate orders during 2007 and 2008. In addition, PSNH's \$50 million securitized rate reduction bond related to the buyout of the rate order with the Whitefield wood-burning IPP will be paid off by the end of January 2008. PSNH states that when comparing 2008 to 2007, the decrease in SCRC costs related to the payoff of that bond is over \$10 million.

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

Based upon the foregoing, it is hereby ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 9, 2007 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. Rule Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; 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 September 25, 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 October 9, 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 October 5, 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 October 9, 2007.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of September, 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.
(UL - Sept. 20)

Legal Notice

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
DE 07-097

ORDER OF NOTICE

I hereby certify that on September 7, 2007, Public Service Company of New Hampshire (PSNH) filed with the Commission a petition to adjust its stranded cost recovery charge (SCRC) for effect with bills rendered on and after January 1, 2008. In support of its petition, PSNH filed the testimony of Robert A. Baumann along with related exhibits and attachments.

The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH Restructuring in Docket No. DE 99-099 (Restructuring Agreement). In its petition, PSNH states that the Restructuring Agreement defined PSNH's stranded costs and categorized them into three different parts—Part 1, Part 2 and Part 3. The Restructuring Agreement originally capped the SCRC, which recovers costs for all three parts, at an overall average rate of 3.40 cents per kilowatt-hour (kWh). The Restructuring Agreement provides that once Part 3 stranded costs are fully recovered, the SCRC will be set on a forecasted basis every six months, and will include any over- or under-recovery of Part 1 and Part 2 stranded costs from the previous period. According to PSNH, it fully recovered its Part 3 stranded costs as of June 30, 2006. PSNH is currently billing an average SCRC rate of 1.43 cents per kWh for the period July 1, 2007 through December 31, 2007. By its petition, PSNH is seeking to adjust the SCRC rate to be charged to customers beginning January 1, 2008.

PSNH states that it is not proposing a specific SCRC rate at this time, but will update the SCRC rate prior to the hearing on its pe-

THERESE M. LANDRY NOTARY
My Commission expires January

SEP 26 2007

I hereby certify that the foregoing notice was published in The Union Leader and/or New Hampshire Sunday News, newspapers printed at Manchester, N.H., by the Union Leader Corporation on the following dates, Viz: September 20, 2007.....

(Signed) Christine Rheauime

UNION LEADER CORPORATION

State of New Hampshire,
Hillsborough, SS.

(Dated) September 25, 2007

Subscribed and sworn to by the said Christine Rheauime

THERESE M. LANDRY NOTARY PUBLIC
My Commission expires January 21, 2012

Before me,
Therese M Landry