



**Public Service
of New Hampshire**

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The Northeast Utilities System

DE 09-158

August 27, 2009

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



Re: Public Service Company of New Hampshire
Voluntary Interruptible Program/ISO-NE Demand Response Program – Tariff
Supplement No. 4
Docket No. DE 09-XXX

Dear Secretary Howland:

PSNH is proposing to change certain aspects of its existing PeakSmartPlus Program, a demand response program based on ISO-NE's 30-Minute Real Time Demand Response Program. The tariff changes in the Voluntary Interruptible Program are in the paragraph under "ISO-NE Demand Response Program." Enclosed please find the following documents to implement the proposed modifications:

1. An original and two copies of Public Service Company of New Hampshire's ("PSNH" or "Company") Supplement No. 4 to Tariff NHPUC No. 6 – Electricity Delivery;
2. The original and six copies of PSNH's Petition of Public Service Company of New Hampshire to Modify Its PeakSmartPlus Program and Request for Expedited Approval ("Petition"), and;
3. Seven copies of a Technical Statement of Gilbert E. Gelineau, Jr. in support of the modification of PSNH's PeakSmartPlus Program.

If PSNH's Petition and its Supplement No. 4 are approved, PSNH will continue to implement the PeakSmartPlus Program beyond May 31, 2010 under the following guidelines:

1. Base the program on ISO-NE's 30-Minute Real-Time Demand Response Program under the operating procedures for Real-Time Demand Response and Real-Time Emergency Generation assets as detailed in ISO-NE Market Rule 1.
2. Allow PSNH to call for load reductions when PSNH anticipates ISO-NE will reach a system peak.

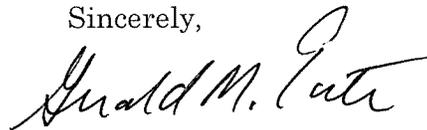
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3. Pay program participants 75% of the Adjusted Clearing Prices in the Forward Capacity Auctions ("FCA") with program expenses netted against these payments as is done in the current program.
4. Fund the program with Forward Capacity Market ("FCM") revenues paid to PSNH in exchange for the capacity reductions resulting from the CORE Programs.
5. Limit the liability for PeakSmartPlus payments by placing a ceiling on the number of MWs that can participate in the program, subject to periodic review.

The proposed changes are reflected in the enclosed Technical Statement of Gilbert E. Gelineau, Jr. and in the black-lined version of Supplement No. 4. PSNH is requesting that the Commission expedite approval of this tariff change and program modification without thirty days notice so that the tariff change would be approved before October 1, 2009. This expedited treatment will allow the Company to be in a position to participate in the third Forward Capacity Auction which takes place in early October. If the October 1, 2009 date is unworkable, PSNH is requesting a decision be rendered no later than December 1, 2009 to allow customers to make alternative arrangements with other demand response providers should the Commission not approve this request to continue PSNH's demand response program.

PSNH has discussed this filing with the members of the Commission's Electric Division and with the Office of Consumer Advocate ("OCA"). PSNH respectfully requests that an *Oder Nisi* be issued so that PSNH can begin to solicit participation by eligible customers. Copies of this filing have been provided to the persons on the attached Service List.

Sincerely,



Gerald M. Eaton
Senior Counsel

Enclosures
cc: Service List

Voluntary Interruptible Program
Docket No. DE 09-XXX
SERVICE LIST

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