

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

DE 10-158

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Transmission Cost Adjustment Mechanism

ORDER OF NOTICE

On June 3, 2010, Public Service Company of New Hampshire (PSNH) filed a petition for approval of a new transmission cost adjustment mechanism (TCAM) rate to be effective for service rendered on and after July 1, 2010. The Commission established the TCAM pursuant to a settlement agreement approved in Order No. 24,750 (May 25, 2007), 92 NH PUC 124.

According to the petition, PSNH currently has not calculated a rate but expects that the overall average TCAM rate for the period beginning July 1, 2010 will increase from the current rate of 1.195 cents per kWh. On or before June 14, when PSNH has complete information on the wholesale transmission rates for effect on and after July 1, 2010, the Company will file testimony regarding transmission revenues and expenses for the reconciliation period and a description of the proposed rates and charges applicable to each customer rate class for effect on July 1, 2010. PSNH has a number of rate changes that will be effective July 1, 2010 and asked the Commission to approve the new TCAM rate by June 28, 2010 to allow the Company to test its billing system with the new rates.

The petition states that, by Order No. 25,061 (December 31, 2009) entered in PSNH's most recent energy service proceeding, Docket No. DE 09-180, the Commission approved PSNH's recovery of VAR reliability costs (related to reactive energy flow [within transmission and distribution systems] that does not contribute to load) through the TCAM instead of the

energy service rate effective January 1, 2010, and that VAR costs are not included in present TCAM rates. In addition, PSNH has a pending distribution rate case (Docket No. DE 09-035) where a settlement agreement was presented to the Commission for its consideration. In that settlement agreement, the distribution revenue requirements assume the transfer of certain cost recoveries from distribution rates to the TCAM rate effective August 1, 2009, the date that temporary rates were implemented in Docket No. DE 09-035. The costs at issue consist of (a) PSNH's share of the costs to support the transmission and terminal facilities used to import electricity from the Hydro-Quebec system, (b) an allocated share of the Commission's annual utility assessment, and (c) the return on the TCAM working capital allowances (together, "combined costs"). The under-recovery of VAR reliability costs from January 1, 2010 through May 31, 2010 and the under-recovery of the combined costs from August 1, 2009 through May 31, 2010 will be included in the requested TCAM rate when PSNH files its reconciliation and proposed rates.

The filing raises, inter alia, issues related to whether the resulting rates are just and reasonable as required by RSA 378:5 and 378:8; whether PSNH's reconciliation and forecasted costs are reasonable and whether the proposed class specific rates are reasonable and consistent with prior Commission orders. 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 Hearing, pursuant to N.H. Admin. Rules Puc 203, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 23, 2010 at 1:30 p.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 12, 2010, 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 23, 2010; 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 18, 2010, 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 23, 2010.

By order of the Public Utilities Commission of New Hampshire this ninth day of June, 2010.



Debra A. Howland
Executive Director

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.

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Docket #: 10-158 Printed: June 09, 2010

**FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),
WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:**
DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429