

STATE OF NEW HAMPSHIRE

Inter-Department Communication

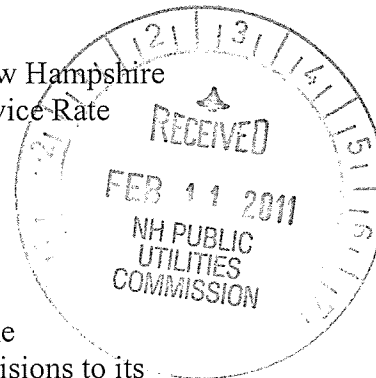
DATE: February 11, 2011

AT (OFFICE): NHPUC

FROM: Al-Azad Iqbal *SAI*
Utility Analyst III

SUBJECT: Docket No. DE 10-314, Public Service Company of New Hampshire
(PSNH) 2011 Proposed Renewable Default Energy Service Rate
Staff Recommendation

TO: Commissioners,
Debra Howland, Executive Director



On December 1, 2010, pursuant to the settlement agreement approved by the Commission (Order No. 25,080) in Docket No. DE 09-186, PSNH filed revisions to its Renewable Default Energy Service (Renewable DES) Rate tariff, to be effective on January 1, 2011. On December 16, 2010, Staff requested a suspension of the Renewable DES tariff to allow Staff and other parties to engage in additional analysis of PSNH's proposal. Staff's suspension request was approved by the Commission by secretarial letter on December 27, 2010. In January 2011, Staff and the Office of the Consumer Advocate (OCA) submitted data requests to PSNH, and have received responses from the Company.

In its filing, PSNH proposed new Renewable DES rates for the 100%, 50% and 25% Renewable Service Option Charges of 1.972 cents, 0.986 cents and 0.493 cents respectively. The proposed tariff represents a price reduction of 44% compared to the current rates. From the start of the Renewable Service Option in May 2010, PSNH's total estimated obligation under the Renewable DES rate through December 2010 was 200 MWh. Using the current Renewable DES rate the 200MWh results in an estimated collection of \$7,022.00. The obligation costs are estimated at \$3,272.00 resulting an over-collection of approximately \$3,750.00. PSNH suggested that this over-collection be held in an escrow account with carrying charges, and that it be dealt with in a subsequent Renewable DES filing, either in July 2011 or January 2012. As an alternative, PSNH stated that the over collection could be forwarded into the State's RPS fund once the full 2010 reconciliation has taken place.

Staff reviewed the proposal, recommends that the Commission approve the new PSNH Renewable DES tariff as proposed. With regards to the over collection, Staff suggests that the funds be held in an escrow account with carrying charges until the issue is fully reviewed as part of the 12-month review process outlined in the settlement agreement of Docket No. DE 09-186.

Please let me know if you have any questions or would like to discuss this further

Cc: service list