

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

DE 11-215

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Petition to Set 2012 Energy Service Rate

ORDER OF NOTICE

On September 23, 2011, Public Service Company of New Hampshire (PSNH or Company) filed a petition to establish its default energy service (ES) rate for effect with service rendered on and after January 1, 2012. Pursuant to RSA 369-B:3, IV(b)(1)(A), customers who take ES from PSNH will be billed at a rate equal to PSNH's actual, prudent and reasonable costs of providing the power, as approved by the Commission. In support of its petition, PSNH filed the testimony of Robert A. Baumann with related exhibits and schedules.

According to PSNH, the ES cost categories in the filing are consistent with prior energy ES filings with one potential major addition – the status of which will updated prior to hearing. PSNH stated that its ES cost categories include the revenue requirements for owned generation assets and the cost of purchased power obligations, including the fuel costs associated with its generation assets, the costs from supplemental energy and capacity purchases, certain ISO-New England ancillary service charges, and the cost of compliance with New Hampshire's Renewable Portfolio Standard (RPS) and the Regional Greenhouse Gas Initiative (RGGI). PSNH stated that the generation revenue requirements include non-fuel costs of generation including non-fuel operation and maintenance costs, allocated administrative and general costs, depreciation, property taxes, payroll taxes and a return on the net investment in its fossil and hydroelectric generating plants.

PSNH said that the major addition to the calculation of its ES rate that will require an update are costs associated with the wet flue gas desulphurization (FGD) technology (scrubber) project at Merrimack Station. PSNH said that it did not include any costs associated with the project in the instant filing and that following the testing of the scrubber equipment, it will have a clearer understanding as to the scrubber's in-service date. PSNH stated that it will provide an updated ES rate once the project is placed in service, which will be when the FGD is operating and reducing emissions at Merrimack Station. In this filing, PSNH provided its preliminary calculation of an ES rate of \$0.0839 per kilowatt-hour (kWh) for effect beginning January 1, 2012. PSNH stated that the preliminary rate was calculated using the latest available information and would represent a decrease of \$0.0050 per kWh from the current ES rate of \$0.0889 per kWh approved in Order No. 25,242 (June 28, 2011). PSNH said that as with prior ES rate filings, it would update the calculation of the ES rate prior to the hearing in this docket, including an update on the scrubber project.

PSNH also filed a petition to set its 2012 stranded cost recovery charge rate (Docket No. DE 11-217) on September 23, 2012. For administrative efficiency, the prehearing conference for both dockets will be scheduled for 1:30 p.m. on October 17, 2011, with Docket No. DE 11-217 to be heard first, followed by a joint technical session for both dockets. In addition, PSNH on September 23 filed a proposal to establish an alternate default energy service rate ADE (Docket No. DE 11-216). The prehearing conference in Docket No. DE 11-216 will be held on October 17, 2011 at 2:00 p.m.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docket/2011/11-215.htm>.

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 service consistent with RSA 369-B:3, IV(b)(1)(A) and are just and reasonable as required by RSA 378:5 and 8; whether the costs associated with RPS and RGGI compliance are reasonable and should be included in rates; and the appropriate manner to consider the recovery of prudent costs of complying with the requirements of RSA 125-O:11 et seq. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 17, 2011 at 1:30 p.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. Code Admin. Rules 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. Code 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 October 10, 2011, 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 17, 2011; and it is

FURTHER ORDERED, that pursuant to N.H. Code 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 14, 2011, 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. Code 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 17, 2011.

By order of the Public Utilities Commission of New Hampshire this fifth day of October, 2011.



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.