

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

DE 11-217

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Petition to Set 2012 Stranded Cost Recovery Charge

ORDER OF NOTICE

On September 23, 2011, Public Service Company of New Hampshire (PSNH or Company) filed a petition to adjust its Stranded Cost Recovery Charge (SCRC) for effect with service rendered on and after January 1, 2012. In support of its petition, PSNH filed the testimony of Robert A. Baumann 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). According to the petition, the Restructuring Agreement defined PSNH's stranded costs and categorized them into three different parts—Part 1, Part 2 and Part 3. The SCRC was established to recover costs for all three Parts. The Restructuring Agreement capped the SCRC at an overall average rate of 3.40 cents per kilowatt- hour (kWh).

PSNH said that Part 3 costs were fully recovered in June 2006. The Restructuring Agreement states that once Part 3 costs are fully recovered, the SCRC will be set on a forecasted basis every six months and will include any over- or under-recoveries of Part 1 and Part 2 stranded costs from the previous period. Part 1 is composed of the Rate Reduction Bond (RRB) charge, which is calculated to recover the principal, net interest and fees related to RRBs. Part 2 costs are "ongoing" stranded costs consisting primarily of the over market value of energy purchased from independent power producers (IPPs) and the amortization of payments previously made for IPP buy-downs and buy-outs as approved by the Commission.

Pursuant to Order No. 25,241 (June 28, 2011), PSNH is currently billing an average SCRC rate of \$0.0109 per kWh for the six-month period from July 1, 2011 through December 31, 2011. Based on the data available at the time of the filing of the instant petition, PSNH offered its preliminary calculation of an average SCRC rate of \$0.0116 per kWh for service rendered on and after January 1, 2012. PSNH attributed the increase in the estimated average 2012 SCRC rate to a lower prior period over-recovery as compared with the over-recovery reflected in the current SCRC rate (an increase of \$2 million) and a \$1.9 million increase in the ongoing costs pertaining to the RRBs due to lower credits associated with accumulated deferred income taxes. PSNH stated that it is not requesting approval of a specific rate at this time and that it will update its estimates with more recent data prior to hearing.

PSNH also filed a petition to set its 2012 energy service rate (Docket No. DE 11-215) on September 23, 2012. For administrative efficiency, the prehearing conference for both dockets are scheduled for 1:30 p.m. on October 17, 2011, the instant docket to be heard first, followed by a joint technical session on 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/2011/11-217.htm>.

The filing raises, *inter alia*, issues related to whether PSNH's assumptions and estimates of costs and revenues are reasonable and whether the resulting rates are just and reasonable as required by RSA 378:5 and 378:8. 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.