

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

DE 11-217

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Request to Adjust Stranded Cost Recovery Charge

ORDER OF NOTICE

On May 2, 2012, Public Service Company of New Hampshire (PSNH) filed a request, with supporting testimony and schedules, to make a mid-term adjustment to its Stranded Cost Recovery Charge (SCRC) rate on a service-rendered basis effective July 1, 2012. The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH's Restructuring Docket in Docket No. DE 99-099 (Restructuring Agreement). PSNH requested approval of the adjustment by June 28, 2012 to allow sufficient time to test its billing system for this change prior to the July 1, 2012 proposed effective date.

The Restructuring Agreement defined PSNH's stranded costs and categorized them into three different parts (Part 1, Part 2 and Part 3), all of which are recovered through the SCRC rate. Part 1 SCRC is calculated to recover the principal, net interest, and fees associated with rate reduction bonds. 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 approved by the Commission. Part 3 costs, which are primarily the amortization of non-securitized stranded costs, were fully recovered as of June 2006.

The Commission approved the current average SCRC rate of 1.23 cents per kilowatt-hour (kWh) in Order No. 25,312 (December 30, 2011) entered in the instant docket. In the current

filing, PSNH projects an increase in the average SCRC rate from 1.23 cents per kWh to 1.94 cents per kWh. PSNH stated that the primary reason for the recommended increase is the additional over-market costs for purchases made from five wood-fired Wood IPPs and lower market prices which, in turn, increased the over-market portion of purchases from IPPs included in the SCRC. The Commission approved the purchase power agreements with the five Wood IPPs in Order No. 25,305 (December 20, 2011) in Docket No. DE 11-184. PSNH said that the over-market costs associated with the Wood IPP contracts are not included in the current SCRC rate of 1.23 cents per kWh because Order No. 25,305 became effective on January 20, 2012 subsequent to the effective date of the 2012 SCRC rate. PSNH said that prior to the hearing it will file updated projections of costs along with actual experience through May 2012.

On October 12, 2011, the Office of Consumer Advocate filed a letter with the Commission stating that it would participate in the docket on behalf of residential ratepayers pursuant to RSA 363:28.

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/Docketbk/2011/11-217.html>.

The filing raises, *inter alia*, issues related to whether PSNH's calculation and estimates of costs and revenues are reasonable and whether the resulting rates are just and reasonable as required by RSA 378:5 and 8. Each party has the right to have an attorney represent the party at the party's own expense.

In addition to the proposed adjustment to the SCRC, PSNH proposes the following rate adjustments for July 1, 2012: a mid-term adjustment to its energy service rate in Docket No. DE 11-215 and a change to its Transmission Cost Adjustment Mechanism (no filing as yet). The

hearings on these matters are scheduled for June 19, 2012 with the hearing in the instant docket to be held at 10:00 a.m. followed by the hearing in Docket No. DE 11-217 at 11:00 a.m. The hearing on the proposed change to PSNH's Transmission Cost Adjustment Mechanism will be held at 1:30 p.m. on June 19, 2012.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 19, 2012 at 10:00 a.m.; 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 May 22, 2012, 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 19, 2012; 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 June 14, 2012, 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 June 19, 2012.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of May,
2012.



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.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 11-217-1 Printed: May 15, 2012

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.