



**Public Service
of New Hampshire**

Public Service Company of New Hampshire
P.O. Box 330
Manchester, NH 03105-0330
(603) 634-2701
Fax (603) 634-2449

The Northeast Utilities System

Stephen R. Hall
Manager, NH Revenue Requirements

E-Mail: hallsr@psnh.com

February 20, 2013

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 Fruit Street, Suite 10
Concord, New Hampshire 03301

**Re: Docket No. DE 11-250, Public Service Company of New Hampshire,
Investigation of Scrubber Costs and Cost Recovery
Request for Accounting Statement Clarification**

Dear Secretary Howland:

On January 15, 2013, PSNH filed a Request for Accounting Statement Clarification in which it requested a Secretarial Letter from the Commission that would allow PSNH to first recover the equity return portion of the Cost of Capital component of Scrubber costs. That request was made to satisfy the requirements of SFAS No. 71, allow PSNH to recognize the equity portion of its Cost of Capital currently, and eliminate the difference in the deferral for regulatory and GAAP purposes associated with the operation of the asset. In that filing, PSNH cited the delay in the procedural schedule as one of the factors necessitating the request. PSNH stated that if there were additional future delays to the procedural schedule, such delays would exacerbate the negative impact on PSNH's earnings due to PSNH's inability to currently recognize the full equity return on the Scrubber.

On January 29, 2013, the Commission issued a secretarial letter suspending the procedural schedule in the docket. In view of the suspension of the procedural schedule, PSNH is providing the Commission with additional information on the impact of the delay on PSNH's earnings. PSNH believes this filing will assist the Commission in rendering a decision on PSNH's request for an accounting statement clarification that would enable PSNH to recognize the equity return on the Scrubber on a current basis.

The enclosed "Supplemental Technical Statement of Stephen R. Hall and Michael L. Shelnitz" discusses the financial impact of the lack of recognition of the full equity return on the Scrubber. PSNH respectfully requests that the Commission take action on its request by the end of March to enable PSNH to recognize the earnings in the first quarter of 2013.

Please let me know if you have any questions. Thank you for your consideration.

Sincerely,

Stephen R. Hall
Manager, NH Revenue Requirements

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SRH:kc
Enclosure
cc: Service List

HEATHER ARVANITIS
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PO BOX 330
MANCHESTER NH 03105
heather.arvanitis@nu.com

STEPHEN R ECKBERG
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
stephen.r.eckberg@oca.nh.gov

LINDA T LANDIS
PUBLIC SERVICE COMPANY OF NH
PO BOX 330
MANCHESTER NH 03105-0330
linda.landis@psnh.com

ROBERT BERSAK
PUBLIC SVC OF NEW HAMPSHIRE
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
robert.bersak@nu.com

ZACHARY M FABISH
SIERRA CLUB
50 F ST NW 5TH FLR
WASHINGTON DC 20001
zachary.fabish@sierraclub.org

CHRISTINA MARTIN
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
christina.martin@oca.nh.gov

CATHERINE CORKERY
NH SIERRA CLUB
40 N MAIN ST 2ND FLR
CONCORD NH 03301
catherine.corkery@sierraclub.org

STEPHEN R HALL
PSNH
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
stephen.hall@nu.com

DONNA L MCFARLAND
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301
donna.l.mcfarland@oca.nh.gov

JIM DANNIS
117 MCGINTY RD
DALTON NH 03598
jim@dannis.net

DORENE HARTFORD
CONSERVATION LAW FOUNDATION
27 NORTH MAIN ST
CONCORD NH 03301
dhartford@clf.org

DOUGLAS L PATCH
ORR & RENO PA
1 EAGLE SQ
PO BOX 3550
CONCORD NH 03302-3550
dpatch@orr-reno.com

KRISTI L DAVIE
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PO BOX 330
MANCHESTER NH 03105
kristi.davie@nu.com

SANDI HENNEQUIN
NEW ENGLAND POWER GENERATORS ASSOCIATION
141 TREMONT ST
BOSTON MA 02111
shennequin@nepga.org

N JONATHAN PERESS
CONSERVATION LAW FOUNDATION
27 NORTH MAIN ST
CONCORD NH 03301-4930
njperess@clf.org

ALLEN M DESBIENS
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
780 N COMMERCIAL ST
PO BOX 330
MANCHESTER NH 03105-0330
allen.desbiens@nu.com

RORIE HOLLENBERG
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301-2429
rorie.e.p.hollenberg@oca.nh.gov

LUCY ROSADO
ORR & RENO PC
PO BOX 3550
CONCORD NH 03302
lrosado@orr-reno.com

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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.**

WILLIAM SMAGULA
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PO BOX 330
MANCHESTER NH 03105-0330
william.smagula@psnh.com

MAUREEN D SMITH
ORR & RENO PC
ONE EAGLE SQUARE
PO BOX 3550
CONCORD NH 03302-3550
msmith@orr-reno.com

ELIZABETH TILLOTSON
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PO BOX 330
MANCHESTER NH 03105-0330
elizabeth.tillotson@nu.com

PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

DISCOVERY

NHPUC

21 S. FRUIT ST, SUITE 10

CONCORD NH 03301-2429

SUZANNE AMIDON

NHPUC

21 S. FRUIT ST, SUITE 10

CONCORD NH 03301-2429

SUSAN CHAMBERLIN

NHPUC

21 S. FRUIT ST, SUITE 10

CONCORD NH 03301-2429

THOMAS FRANTZ

NHPUC

21 S. FRUIT ST, SUITE 10

CONCORD NH 03301-2429

STEVE MULLEN

NHPUC

21 S. FRUIT ST, SUITE 10

CONCORD NH 03301-2429

DAVID SHULOCK

NHPUC

21 S. FRUIT ST, SUITE 10

CONCORD NH 03301-2429

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AMANDA NOONAN
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429