

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

DE 11-255

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Renewable Default Energy Service Rate

Order Suspending Tariff and Scheduling Prehearing Conference

ORDER NO. 25,302

December 15, 2011

On November 29, 2011, Public Service Company of New Hampshire (PSNH) filed a petition to revise its renewable energy service (RES) rate established in Order No. 25,204 (March 15, 2011) along with a proposed tariff for service rendered on or after January 1, 2012. In support of its request, PSNH filed supporting testimony with related exhibits and attachments, and a proposed tariff.

By Order No. 25,080 (March 5, 2010) in Docket No. DE 09-186, the Commission approved a settlement agreement establishing PSNH's RES rate program pursuant to RSA 374-F:3, V(f). The settlement agreement provides that PSNH will make any changes to the RES rate on January 1 or July 1 of any year. In this filing, PSNH seeks to revise its RES rate for effect January 1, 2012. For customers electing the 100% option, PSNH proposes to increase the RES rate by 1.607 cents per kilowatt hour (kWh) from 1.972 cents per kWh to 3.579 cents per kWh; for customers electing the 50% option, the rate would increase by 0.804 cents per kWh from 0.986 per kWh to 1.790 cents per kWh; and for customers electing the 25% option, the rate would increase by 0.402 cents per kWh from 0.493 cents per kWh to 0.895 cents per kWh. PSNH states that these increases are due to higher expected costs of acquiring Renewable Energy Certificates (RECs) for 2012.

For calendar year 2011, PSNH estimates that its total obligation for customers enrolled in the RES rate will be 676 megawatt hours. Assuming that PSNH acquires RECs for the RES option as it has for the prior periods (consisting of 98% Class I RECs and 2% Class II RECs), PSNH estimates it will need to purchase 663 Class I RECs and 13 Class II RECs for 2011. As of the date of filing, PSNH said it has purchased 397 Class I RECs for 2011 for the RES rate option program.

PSNH also states that it has not collected sufficient revenue in the RES rate to meet its total 2011 obligation, resulting in an estimated under-recovery of \$2,594. PSNH proposes to offset this under-recovery by using an over-recovery of \$3,763 from calendar year 2010. As a result of the offset, PSNH will have a remaining over-recovery of \$1,169. PSNH proposes to maintain the balance of \$1,169 in escrow and address the balance in either the July or December RES filing in 2012.

The filing raises, inter alia, issues related to whether it is just and reasonable to allow PSNH to increase the RES rate for the purchase of estimated obligations of Class I and Class II RECs; whether it is just and reasonable to allow PSNH to use the over-collection from 2010 calendar year to offset the under-collection in 2011 with the net remaining over-collection to remain in escrow; whether the proposal is consistent with RSA 374-F:3, V(f) and prior Commission orders; and whether the resulting rates are just and reasonable pursuant to RSA 378:5 and 8. 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/2011/11-255.html>.

Based upon the foregoing, it is hereby

ORDERED, pursuant to RSA 378:6, 1(b), the Commission hereby suspends PSNH's proposed tariff to allow the filing to be investigated; and it is

FURTHER 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 at December 28, 2011 at 10:00 a.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

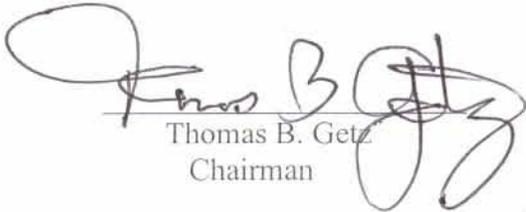
FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

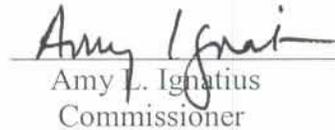
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than December 20, 2011, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before December 28, 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 December 23, 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 December 28, 2011.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of
December, 2011.

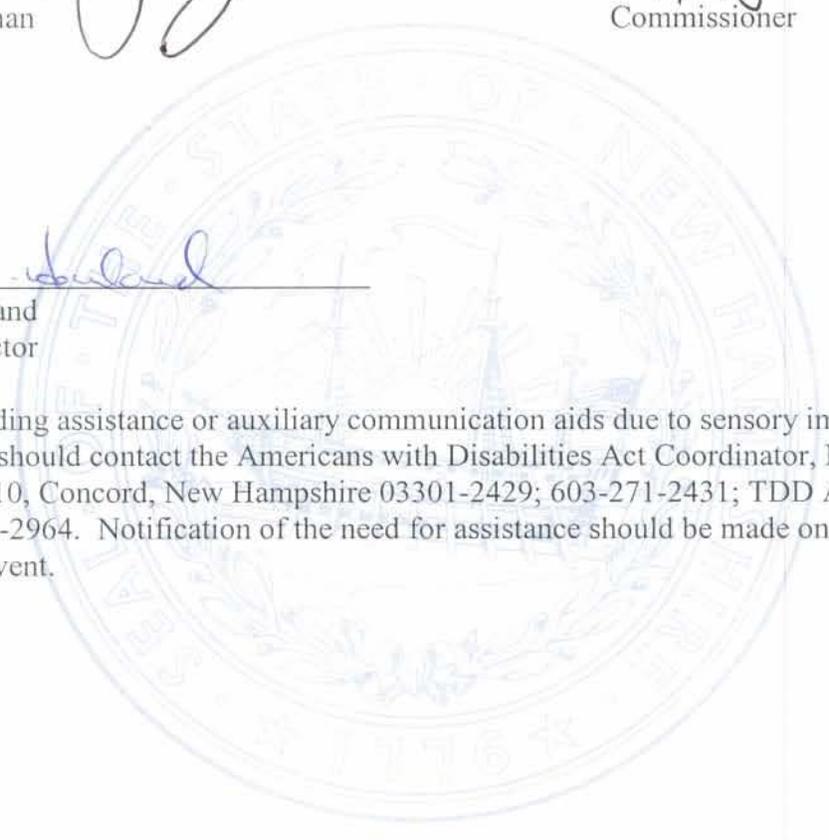

Thomas B. Getz
Chairman


Amy L. Ignatius
Commissioner

Attested by:


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.

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

Christina.Martin@oca.nh.gov

daviekl@nu.com

hallsr@nu.com

knowlsb@nu.com

Meredith.A.Hatfield@oca.nh.gov

ocalitigation@oca.nh.gov

steve.mullen@puc.nh.gov

suzanne.amidon@puc.nh.gov

tom.frantz@puc.nh.gov