

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

**Public Service Company of New Hampshire
Stranded Cost Recovery Rate**

Docket No. DE 12-291

**Technical Statement of
Michael L. Shelnitz**

June 13, 2013

A. Purpose of Technical Statement

This Technical Statement is being submitted to explain the major changes to Public Service Company of New Hampshire's proposed average Stranded Cost Recovery (SCRC) Rate effective July 1, 2013. This filing updates the Company's SCRC filing that was submitted on May 2, 2013.

B. Proposed Rate

On May 2, 2012, PSNH filed an average SCRC rate of 0.385 cents/kWh to be effective for the 6-month period July 1 through December 31, 2013. In this filing, PSNH has calculated an average SCRC rate of 0.272 cents/kWh for effect on July 1, 2013, which is a decrease of 0.113 cents/kWh from the average SCRC rate contained in the May 2, 2013 filing.

C. Significant Cost Changes from May 2, 2013 Filing

Over-Market of Wood IPPs

The amounts of the January and February above-market Wood IPPs have been reduced to \$0 for this filing as compared to credits of (\$0.7 million) and (\$1.8 million), respectively, in the May 2, 2013 filing (i.e., the costs were below market, resulting in "negative" above-market costs. In accordance with precedent, PSNH is not including a negative above-market cost for IPP purchases in the SCRC calculation; rather, PSNH is including the total actual below market cost in the ES rate calculation (see the June 13, 2013 technical statement filed concurrently in Docket No. DE 12-292).

Customer Credit from Rate Reduction Bond Reserves

A credit to customers of \$2.868 million was included to reflect refunds due to customers that remain in various sub-accounts after the full amortization of Rate Reduction Bonds on May 1, 2013.

Department of Energy Litigation Proceeds - Decommissioning Cost Refunds and Reductions for Yankee Plants

A credit to customers of \$4.696 million was included in the filing to reflect PSNH's portion of refunds and reduced decommissioning costs resulting from FERC settlements regarding treatment of litigation proceeds between the Department of Energy and the following nuclear plants: Connecticut Yankee, Yankee Atomic and Maine Yankee. A portion of the refunds and reduced decommissioning costs is being provided to PSNH in lump sum in the second half of 2013, while the remaining portion is being credited over the next thirty months. PSNH will credit SCRC costs with the amount of refunds and reduced decommissioning costs received over that time frame.