

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

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
PETITION FOR RECOVERY OF PRE-STAGING COSTS  
THROUGH THE MAJOR STORM COST RESERVE**

**Docket No. DE 12-XXX**

Pursuant to Puc 202.01(a) and Puc 203.06, Public Service Company of New Hampshire (“PSNH” or “the Company”) hereby petitions the New Hampshire Public Utilities Commission (“Commission”) to allow PSNH to recover the cost of pre-staging for major storms through the Major Storm Cost Reserve (“MSCR”). In support of its Petition, PSNH says the following:

1. The MSCR was established under the “Agreement to Settle PSNH Restructuring” approved by the Commission in Docket No. DE 99-099. The MSCR’s initial annual funding level was \$3 million, but that amount has changed over the last several years. Pursuant to Order No. 25,382 issued June 27, 2012 in Docket No. DE 12-110 the MSCR is currently funded at \$7 million annually.
2. Under the MSCR, PSNH recovers from customers through its distribution rates a specified annual amount to be used in the event that a Major Storm occurs. Costs, including employee labor, vehicle expenses, and expenses related to the use of contract crews, that are incurred by PSNH for restoration of service during a weather event qualifying as a Major Storm are charged to the MSCR. As a result, when a qualifying event occurs, there is no impact on PSNH’s earnings and there is a buffer on potential rate impacts to customers. The MSCR recognizes that major storms will at some point occur and funds those anticipated costs over a period of time.
3. When a Major Storm is anticipated, PSNH makes certain arrangements, including the pre-staging of crews, to prepare for any service restoration efforts that may be necessitated by the storm. Pre-staging expedites the restoration of service following a major storm and potentially results in lower costs for restoration. Currently, if PSNH

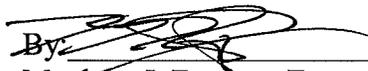
conducts such pre-staging and the storm does not escalate to the level of a Major Storm, there is no mechanism to recover the costs of pre-staging.

4. To alleviate this barrier to cost recovery, PSNH proposes that it be allowed to charge to the existing MSCR the costs of pre-staging if the storm does not escalate to the level of a Major Storm. Specifically, PSNH proposes to establish criteria that will trigger planning activities, including the pre-staging of contract crews in PSNH's service territory, and that will trigger the approval of funding for those planning expenses through the MSCR. In the event that a Major Storm does not develop, expenses incurred pursuant to the approved criteria will still be recovered through the MSCR. This proposal is consistent with that made by Unitil Energy Systems, Inc. in Docket No. DE 10-055 and approved by the Commission in Order No. 25,214 (April 26, 2011).
5. Enclosed with this filing are the testimony and exhibits of David L. Bickford and Stephen R. Hall supporting the change to the MSCR.

WHEREFORE, PSNH respectfully requests that the Commission open a proceeding, provide for an order of notice, schedule a procedural hearing where the conduct of this proceeding may be established, and order such further relief as may be just and equitable.

Respectfully submitted this 26<sup>th</sup> day of October, 2012.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

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