

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

DE 13-274

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Request to Adjust Stranded Cost Recovery Charge

ORDER OF NOTICE

On May 2, 2014, Public Service Company of New Hampshire (PSNH) filed a request, with supporting testimony and schedules, to make a mid-year adjustment to its Stranded Cost Recovery Charge (SCRC) rate on a service-rendered basis effective July 1, 2014. The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH's Restructuring approved in Order No. 23,549. In this filing, PSNH proposes to decrease the SCRC from the current rate of 0.35 cents per kilowatt hour (kWh) to an average rate of (0.06) cents per kWh.

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 the rate reduction bonds (RRBs). The RRBs were fully amortized as of May 1, 2013. 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 0.35 cents per kWh in Order No. 25,610 (December 23, 2013) entered in the instant docket. PSNH attributed the propose decrease in the rate to a refund from the Department of Energy (DOE) resulting from a Federal Energy Regulatory Commission settlement regarding litigation between DOE and the

following nuclear plants: Connecticut Yankee, Yankee Atomic and Main Yankee. The refund is expected to be provided to PSNH in a lump sum in the second half of 2014.

PSNH said that prior to the hearing it will file updated projections of costs along with actual experience through May 2013.

The Office of Consumer Advocate previously filed a letter on October 11, 2013 indicating that it would participate in this docket pursuant to RSA 363:28.

The petition and subsequent docket filings, other than any 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/2012/13-274.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 for effect July 1, 2014 a mid-term adjustment to its energy service rate in Docket No. DE 13-275 and to its Transmission Cost Adjustment Mechanism (TCAM), the latter of which has yet to be filed. The hearing in the instant docket is scheduled for June 24, 2014 at 10:00 a.m. and will be immediately followed by a hearing in DE 13-275. The hearing on PSNH's TCAM filing will be held on June 24, 2014 at 1:30 p.m.

Based upon the foregoing, it is hereby

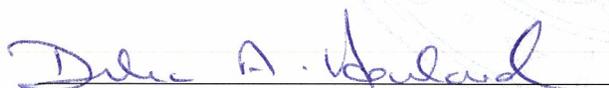
ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 24, 2014 at 10:00 a.m.; and it is

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 28, 2014, 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 20, 2014; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, 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 20, 2014, 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 24, 2014.

By order of the Public Utilities Commission of New Hampshire this twentieth day of May, 2014.



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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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
EXEC 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.