

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

DE 14-235

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

2014 Default Energy Service Rate

ORDER OF NOTICE

On September 15, 2014, Public Service Company of New Hampshire (PSNH) filed a petition to set its default energy service (ES) rate for effect with service rendered on and after January 1, 2015. Pursuant to RSA 369-B:3,IV(b)(1)(A), customers who take ES from PSNH will be billed at a rate equal to PSNH's actual, prudent and reasonable costs of providing the power, as approved by the Commission. In support of its petition, PSNH filed the testimony of Christopher J. Goulding together with related attachments and exhibits. Pursuant to Order No. 25,614 (December 27, 2013), PSNH filed its forecast of customer migration with the supporting testimony of Christopher A. Plecs.

PSNH testified that its ES cost categories include the revenue requirements associated with its owned generation assets and the cost of its purchase power obligations. PSNH explained that those costs include the fuel costs associated with its generation assets, the costs of supplemental and capacity purchases, certain Independent System Operator-New England ancillary service charges, and the cost of compliance with New Hampshire's Renewable Portfolio Standard (RPS) and the Regional Greenhouse Gas Initiative (RGGI). PSNH's generation revenue requirements also includes non-fuel costs of generation including non-fuel operation and maintenance costs, allocated administrative and general costs, depreciation, property taxes, payroll taxes and a return on the net investment in its fossil and hydroelectric

generation plants. PSNH's energy costs also include estimated costs for Independent Power Producer (IPP) generation that is used to help meet PSNH's load requirements. IPP power costs included in the estimated ES rate are based on projected market costs of energy and capacity. In addition, PSNH included a discussion of the ISO-NE's Winter Reliability Program that was put in place for the 2014-2015 winter period and the rate effects related to that program.

PSNH said that all of the enumerated energy costs exclude any impact of the wet flue gas desulphurization installation (Scrubber) at Merrimack Station, which is the subject of a separate docket (DE 11-250). Pursuant to order No. 25,346 (April 10, 2012) in Docket DE 11-250, the Commission established a temporary Scrubber cost recovery rate of 0.98 cents per kilowatt-hour (kWh). The overall ES rate includes the non-Scrubber energy cost recovery component plus the temporary Scrubber cost recovery rate.

In its filing, PSNH provided its preliminary calculation of a non-Scrubber ES rate of 8.63 cents per kWh, a decrease of 0.26 cents per kWh from the current effective rate of 8.89 cents per kWh. With the temporary Scrubber adder, the overall rate effective with service rendered on and after January 1, 2015 is estimated to be 9.61 cents per kWh. The Company said that it would update the calculation of the non-Scrubber ES rate with updated costs and estimates before the hearing scheduled in this docket.

PSNH also filed a petition to set its 2015 stranded cost recovery rate (Docket No. DE 14-236) on September 15, 2014. The prehearing conference in Docket No. DE 14-236 will follow at 9:00 a.m. on October 29, 2014 and the prehearing conference in the instant docket will be held at 9:30. A joint technical session on both dockets will follow the conclusion of the prehearing conferences.

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 www.puc.nh.gov.

The filing raises, *inter alia*, issues related to whether the energy service rate is based on PSNH's actual, prudent and reasonable costs of providing such service consistent with RSA 369-B,IV(1)(A), whether the costs associated with RPS and RGGI compliance are reasonable and should be included in rates, and whether the resulting rates are just and reasonable as required by RSA 378:5 and 387:8. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

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 October 29, 2014 at 9:30 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; and it is

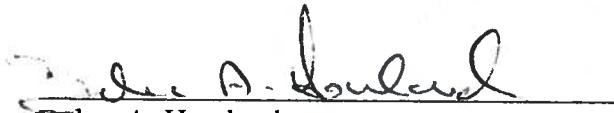
FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

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 October 8, 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 October 27, 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 October 27, 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 October 29, 2014.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of September, 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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Docket #: 14-235-1 Printed: September 30, 2014

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.