

DE 01-064

GRANITE STATE ELECTRIC COMPANY

Default Rates for May 1, 2001 - October 31, 2001

Order NISI Approving Default Rates

O R D E R N O. 23,681

April 19, 2001

I. BACKGROUND AND GENERAL DISCUSSION

On March 30, 2001, the Petitioner, Granite State Electric Company (Granite State or the Company), submitted a proposal on the Company's default service rates for the period May 1, 2001 to October 31, 2001. The proposal consisted of a letter, the Testimony of Michael J. Hager, and supporting attachments. Additionally, the Company submitted a motion for confidential treatment for the Power Supply Contract between Calpine Energy Services and the Company. The Contract was provided as a separate exhibit to the testimony of Mr. Hager.

This type of default service filing has now become routine for Granite State. We have previously approved the Company's rates for default service in Dockets No. DE 99-204, Order No. 23,393; DE 00-087, Order 23,453 and DE 00-218, Order *Nisi* No. 23,585. The general facts of the cases have not changed in that Granite State still has no customers taking default service. Furthermore, the Company continues to place the

Default Service load out to competitive bid prior to the expiration of the previous contract.

Here, the Company issued a request for proposal(RFP) to thirty competitive suppliers for Granite State's default service, Granite State's Transition Service 2, and Massachusetts Electric Company's Standard Service 3 on March 12, 2001. The RFP requested fixed monthly pricing for all-requirements service.

Out of five final bidders, the Company chose Calpine Energy Services, LP as its wholesale default service supplier. The resulting retail rates from the wholesale monthly contract prices are 8.68 cents per kWh for each month of the period, May through October, 2001. The rates in prior default periods ranged between 6.23 cents per kWh and 9.44 cents per kWh. The Company proposes to continue billing customers taking default service on a bills rendered basis assuming 15 days usage in the present month and 15 days usage in the past month. The Company will solicit another RFP for default service prior to the expiration of the Calpine Energy Services wholesale supply contract.

## **II. COMMISSION ANALYSIS**

Granite State has used the same methods to procure default service here as it used in earlier procurements. The procurement method and resultant rates appear consistent with RSA 374-F:3, V (c). We have not reviewed the extent of

competitiveness of the regional markets in which the power was procured. As stated in our past orders on Granite State's default service rates, our approval does not take the place of a prudence review for recovery of any claimed Transition Service 2 under-recovery. We will examine the prudence of the Transition Service 2 power contracts in a separate proceeding if the Company files to recover those costs.

As to the request for confidential treatment we recognize it is the same type of request as the Company has made in previous Default Service dockets with regard to Power Supply Contracts. In DE 99-205, Order No. 23,476 dated May 15, 2000, we said with regard to wholesale price bids that the information contained

"confidential, commercial or financial information", of which Granite State and Morgan Stanley have taken steps to protect, and which could cause them harm if made public...

Based on Granite State's representations, and there being no objection from any other party, under the balancing test we have applied in prior cases, e.g., *Re NET (Auditel)*, 80 NH PUC 437 (1995), *Re Eastern Utilities Associates*, 76 NH PUC 236 (1991), we find that the benefits to Granite State and Morgan Stanley of non-disclosure in this case outweigh the benefits to the public of disclosure. The information, therefore, is exempt from public disclosure pursuant to RSA 91-A:5,IV and Puc 204.06.

In this particular instance, Granite State contends that the information contained in the Calpine contract includes competitive energy pricing and that the contract terms are commercially sensitive, which if disclosed would be harmful to Calpine's competitive position. This, the Company further stated would chill Calpine's willingness to participate in providing energy services in New Hampshire in the future. We agree that the information is confidential as it is within the exemptions permitted by RSA 91-A:5, IV. As such we will treat the contract as confidential.

**Based upon the foregoing, it is hereby**

**ORDERED NISI**, that Granite State's default rate is approved at 8.68 cents per kWh for the period May 1, 2001 to October 31, 2001 and it is

**FURTHER ORDERED**, that the Petitioner shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than April 29, 2001 and to be documented by affidavit filed with this office on or before May 2, 2001; and it is

**FURTHER ORDERED**, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this

matter before the Commission no later than May 12, 2001; and it is

**FURTHER ORDERED,** that any party interested in responding to such comments or request for hearing shall do so no later than May 22, 2001; and it is

**FURTHER ORDERED,** that this Order Nisi shall be effective May 1, 2001, unless the Commission provides otherwise in a supplemental order; and it is

**FURTHER ORDERED,** that the Petitioner shall file a compliance tariff with the Commission on or before May 1, 2001, in accordance with N.H. Admin. Rules, Puc 1603.02(b); and it is

**FURTHER ORDERED,** that Granite State's Motion for Confidential Treatment with respect to the Granite State/Calpine contract is **APPROVED**; and it is

**FURTHER ORDERED,** that the determination as to protective treatment made herein is subject to the ongoing authority of the Commission, on its own motion or on the motion of Staff, any party or any other member of the public, to reconsider this Order in light of RSA 91-A, should circumstances so warrant.

By order of the Public Utilities Commission of New  
Hampshire this nineteenth day of April, 2001.

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Douglas L. Patch  
Chairman

Susan S. Geiger  
Commissioner

Nancy Brockway  
Commissioner

Attested by:

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Thomas B. Getz  
Executive Director and Secretary