

DE 02-212

CONNECTICUT VALLEY ELECTRIC COMPANY

Proposed 2003 Business Profits Adjustment Percentage (BPTAP)

Order Nisi Approving 2003 BPTAP

O R D E R N O. 24,105

December 30, 2002

The petitioner, Connecticut Valley Electric Company (CVEC or the Company), filed a request on November 27, 2002 to adjust its Business Profits Tax Adjustment Percentage (BPTAP) effective with bills rendered on or after January 1, 2003. The Company also requested a waiver of N.H. Administrative Rule Puc 1203.05(a).

The BPTAP is designed to recover the New Hampshire Business Profits Tax (BPT), the one-time Accumulated Deferred Income Tax (ADIT) required to be recorded on CVEC's books when it became liable for the income-based BPT, and the tax gross-up on the one-time ADIT. The current BPTAP of 0.72 percent would increase to 0.96 percent for 2003. The effect on a typical residential customer using 500 kilowatt-hours (kWh) per month would be an increase of \$0.18 or 0.23 percent.

In its filing, the Company presented a reconciliation for the 2001 BPTAP since it did not have actual data for the last two months of 2001 when it filed for the BPTAP currently in effect. The undercollection was \$42,329 less than it had expected. The ending BPTAP balance for 2002 is expected to be an

undercollection of \$207,332; the original forecast had been an undercollection of \$224,723.

Our review of the BPT filing indicates that the proposed increase in the BPTAP is due primarily to the higher BPT expected in 2003, which is offset somewhat by a lower target undercollection than was used in the 2002 BPTAP. Inasmuch as the calculation of the BPTAP employs the same methodology that we have found reasonable in previous years and the Company's pre-filed testimony and attachments appear to be accurate, we approve its request.

Based upon the foregoing, it is hereby

ORDERED NISI, that subject to the effective date below, the BPTAP of .96 percent for the period January 1, 2003 through December 31, 2003 is APPROVED for all bills rendered on or after January 1, 2003; and it is

FURTHER ORDERED, that N.H. Administrative Rule 1203.05 (a) is waived; 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 January 8, 2003 and to be documented by affidavit filed with this office on or before January 23, 2003; 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 January 17, 2003; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than January 24, 2003; and it is

FURTHER ORDERED, that this Order Nisi shall be effective January 30, 2003, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Petitioner shall file a compliance tariff with the Commission on or before January 23, 2003, in accordance with N.H. Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New
Hampshire this thirtieth day of December, 2002.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary