

DE 06-068

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Stranded Cost Recovery Charge Reconciliation

Prehearing Conference Order

ORDER NO. 24,653

July 28, 2006

APPEARANCES: Gerald M. Eaton, Esq. for Public Service Company of New Hampshire; Amy L. Ignatius, Esq. for the Governor's Office of Energy and Planning; Office of Consumer Advocate by F. Anne Ross, Esq. on behalf of residential ratepayers; and Donald M. Kreis, Esq. of the Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY

On May 1, 2006, Public Service Company of New Hampshire (PSNH) filed with the New Hampshire Public Utilities Commission (Commission) its annual reconciliation of Stranded Cost Recovery Charge (SCRC) revenues for calendar year 2005, together with testimony and supporting documentation. The SCRC is the mechanism by which PSNH recovers those restructuring-related stranded costs that were allowed under the Agreement to Settle PSNH Restructuring (Restructuring Agreement) approved by the Commission in 2000. See *PSNH Proposed Restructuring Settlement*, 85 NH PUC 154 (approving Restructuring Agreement); *on reh'g*, 85 NH PUC 536 and 85 NH PUC 645 (2000); *see also PSNH Proposed Restructuring Settlement*, 85 NH PUC 567 (2000) (resolving financing issues related to securitization of stranded costs); RSA 369-B (establishing legislative conditions for securitization financing). Pursuant to RSA 374-F:2, IV, stranded costs are costs that electric utilities "would reasonably expect to recover if the [former] regulatory structure with retail rates for the bundled provision of electric service continued and that will not be recovered as a result of restructured industry

regulation that allows retail choice of electricity suppliers, unless a specific mechanism for such cost recovery is provided.”

On May 12, 2006, the Office of Consumer Advocate (OCA) filed notice of participation in this docket on behalf of residential ratepayers pursuant to RSA 363:28. On May 24, 2006, the Commission issued an Order of Notice scheduling a Prehearing Conference for June 27, 2006.

The Prehearing Conference was held as scheduled, before Hearings Examiner Edward N. Damon. During the Prehearing Conference, the Governor’s Office of Energy and Planning (OEP) requested limited intervenor status. On June 29, 2006, Commission Staff filed its report of the technical session which followed the prehearing conference. On July 13, 2006, the hearings examiner submitted his report of the prehearing conference, which was adopted at the Commission Meeting of July 18, 2006, and is memorialized herein.

II. PRELIMINARY POSITIONS OF THE PARTIES AND STAFF

A. Public Service Company of New Hampshire

PSNH stated that its report on the operation of its plants and purchases of wholesale power for 2005 is a customary annual filing and the Stranded Cost Recovery Charges (SCRC) it has submitted are prudent and should be allowed for full recovery.

B. Office of Energy and Planning

OEP stated that it has been involved in restructuring issues and is concerned about the rates of all electric utilities. The OEP further stated that it is concerned with the performance of PSNH’s generation plants and how the SCRC fits into the larger picture of the company’s rates. OEP explained that its requested intervention would be limited to participation at hearing and attendance at technical sessions and would not include participation in settlement discussions.

C. Office of Consumer Advocate

OCA stated that it is interested in discovery and exploring in more detail the background of the filing.

C. Staff

Commission Staff stated that its investigation of the PSNH filing is already underway. Staff stated that the investigation will include the prudence of various outages, the prudence of PSNH's fuel procurement and its energy purchases and the prudence of its use of energy resources in general.

III. PROCEDURAL SCHEDULE AND INTERVENTION REQUEST

Following the Prehearing Conference, the parties and Staff met in a Technical Session and proposed the following procedural schedule:

Data responses from Technical Session Data Requests	July 14, 2006
Data requests from the Parties to PSNH	July 21, 2006
Data responses from PSNH	August 4, 2006
Technical Session/Settlement Conference	9:00 a.m., September 1, 2006
Staff and Intervenor Testimony	September 22, 2006
Data requests to Staff and Intervenors	September 29, 2006
Responses of Staff and Intervenors to data requests	October 13, 2006
Technical Session/Settlement Conference	9:00 a.m., October 19, 2006
Hearing	October 26, 2006

The parties and Staff have conducted discovery pursuant to the proposed schedule pending its approval by the Commission.

IV. COMMISSION ANALYSIS

Having reviewed the proposed procedural schedule and the Hearings Examiner’s favorable recommendation regarding the same, we find that it is reasonable and approve it. In addition, we have reviewed OEP’s request for limited intervention and the Hearings Examiner’s recommendation to approve it. We will grant OEP’s request with intervention limited to participation at the hearing and attendance at technical sessions. *See* RSA 541-A:32, III (providing for limitations on interventions).

Based upon the foregoing, it is hereby

ORDERED, that the procedural schedule as proposed herein is hereby approved; and it is

FURTHER ORDERED, that the request of OEP for limited intervention is approved as set forth above.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of July, 2006.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Clifton C. Below
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary