

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 07-057 and DE 06-097**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

**Reconciliation of Stranded Cost Recovery Charge and Energy Service Charge  
Investigation into Coal Procurement Practices**

**Order Approving Settlement Agreement**

**ORDER NO. 24,805**

**December 7, 2007**

**APPEARANCES:** Gerald M. Eaton, Esq., for Public Service Company of New Hampshire; Office of Consumer Advocate by Meredith A. Hatfield, Esq. on behalf of residential ratepayers; and Suzanne G. Amidon, Esq. on behalf of Commission Staff.

**I. PROCEDURAL HISTORY**

On May 1, 2007, Public Service Company of New Hampshire (PSNH) filed testimony and schedules in support of a proposed reconciliation of revenues and costs associated with its stranded cost recovery charge (SCRC) and its energy service (ES) charge for calendar year 2006. The SCRC is the mechanism by which PSNH recovers certain restructuring-related stranded costs as 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, 85 NH PUC 536 and 85 NH PUC 645 (2000). PSNH recovers its costs of providing power from its generating units and supplemental power purchases through its ES charge.

In *Public Service Co. of New Hampshire*, Order No. 24,125, 88 NH PUC 65 (2003), the Commission approved a settlement that implemented PSNH's initial SCRC reconciliation, which covered the period from May 1, 2001 (the date on which the PSNH service territory was opened to retail competition among energy suppliers under the Restructuring Agreement) through

December 31, 2001. Order No. 24,125 directed PSNH to submit, on or before May 1 of each year, its proposed reconciliation of the previous calendar year's SCRC and transition energy and default energy service revenues and costs.

Subsequent to Commission approval of the Restructuring Agreement, PSNH continued to recover costs related to the generation and delivery of electricity, but delivery costs were further segmented for ratemaking purposes. Thus, PSNH's customers now pay a distribution charge, a transmission charge and an SCRC. Additionally, customers purchasing their energy supply from PSNH have paid either a transition service or default service charge. As of May 1, 2006, transition service is no longer available to any customers and all energy service supplied by PSNH is default service, referred to by PSNH and other electric utilities simply as "energy service."<sup>1</sup>

Previously, the difference between revenues and costs associated with providing transition energy service and default energy service had been calculated and included as an adjustment to PSNH's Part 3 stranded costs. Pursuant to the Restructuring Agreement, Part 3 stranded costs were those stranded costs for which PSNH undertook some risk of non-recovery. As of June 30, 2006, PSNH had recovered all of its Part 3 stranded costs, and the Commission approved a reduction to the company's SCRC to reflect that development. *See* Order No 24,641 (June 30, 2006). In a prior order, the Commission had determined that, once Part 3 stranded costs had been fully recovered, the difference between revenues collected and prudently incurred costs associated with transition service and energy service would be reconciled in the energy

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<sup>1</sup> The Electric Utility Restructuring Act defines transition service as "electricity supply that is available to existing retail customers prior to each customer's first choice of a competitive energy supplier and to others, as deemed appropriate by the commission." RSA 374-F:2, V. The timetable that resulted in the termination of transition service as a customer option is set forth in RSA 374-F:3, V(b) (referring to "at least one but not more than 5 years after competition has been certified to exist in at least 70 percent of the state," an event that took place on May 1, 2001). Default service is "electricity supply that is available to retail customers who are otherwise without an electricity supplier." RSA 374-F:2, I-a. The Commission authorized electric utilities to refer to their default service simply as "energy service" in Order No. 24,614 (April 13, 2006).

service rate. Order No. 24,579 (January 20, 2006). The costs at issue in the ES reconciliation are those of owning, operating and maintaining PSNH's generating assets, certain costs related to mandatory purchases from independent power producers, and the cost of purchases and receipts for sales of energy made in the wholesale market. Effective December 1, 2006, the reconciliation also includes the costs and revenues related to PSNH's Northern Wood Power Project (NWPP). The NWPP involved the conversion of Unit 5 at PSNH's Schiller Station generating plant to using wood as a primary fuel source rather than coal. PSNH indicated that the total capital cost of the project was \$73.6 million. The wood-fired boiler began operation on December 1, 2006.

On March 29, 2007, the Commission issued an Order of Notice scheduling a prehearing conference for June 13, 2007. The Office of Consumer Advocate (OCA) entered an appearance on behalf of residential ratepayers pursuant to RSA 363:28. An industrial customer of PSNH, Freudenberg-NOK General Partnership (Freudenberg), filed a motion to intervene on June 11, 2007, which was granted by the Commission at the prehearing conference. Although granted intervenor status, Freudenberg did not actively participate in the proceeding.

PSHN filed a motion on June 8, 2007 requesting confidential treatment of the attachment provided in response to a data request propounded by the OCA (NOCA-01, Q-010) related to a settlement agreement between PSNH and Alstom Power, Inc. (Alstom) regarding the construction of the boiler island at Schiller Unit 5.

On June 25, 2007, the Commission issued a secretarial letter approving a procedural schedule in this docket, including a duly noticed hearing for November 6, 2007. The parties and staff conducted technical sessions on June 13, 2007 and August 27, 2007, and a settlement conference was held on October 26, 2007.

The docket also includes the results of Staff's investigation of PSNH's coal procurement and transportation operations undertaken in Docket No. DE 06-097,<sup>2</sup> in which Staff filed a copy of the Liberty Consulting Group's "Final Report – Analysis of PSNH's Coal Procurement and Transportation Operations" on August 17, 2007. In addition, Staff recommended the Commission allow PSNH to file its response to the report and then include the Liberty report and PSNH's response in the SCRC docket for final disposition of the matters contained in the report. PSNH filed its response to the Liberty report on September 14, 2007. The Commission approved Staff's recommendation by secretarial letter dated September 28, 2007.

The Parties and Staff conducted discovery and, on October 5, 2007, Staff filed the testimony of Steven E. Mullen, an electric utility analyst with the Commission, and Michael D. Cannata, Jr., an engineering consultant with Liberty retained by Staff to review PSNH's power procurement practices and the management of unplanned outages. The testimony of Mr. Mullen was supplemented on October 9, 2007 with Staff's audit report regarding the NWPP. Consistent with PSNH's pending confidentiality motion, the Staff also filed a confidential version of the audit report insofar as it discussed the settlement between PSNH and Alstom.

Staff notified the Commission on November 1, 2007 that PSNH, the OCA and Staff had reached a settlement agreement in the instant consolidated docket. PSNH filed the stipulation and settlement agreement on November 5, 2007. The hearing was held on November 6, 2007 as scheduled.

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<sup>2</sup> This investigation was conducted pursuant to a settlement agreement approved in Docket No. DE 05-088 regarding coal supply and transportation problems experienced by PSNH. See *Public Service Co. of N.H.*, 90 NH PUC 623, 627 (2006) (Order No. 24,568).

## **II. POSITIONS OF THE PARTIES AND STAFF**

### **A. Public Service Company of New Hampshire**

In prefiled testimony, PSNH witness Robert A. Baumann described the reconciliation of the ES and SCRC charges. For the 2006 reporting period, Mr. Bauman stated that the ES charge revenues exceeded ES-related costs. As a result, PSNH recorded a deferred regulatory liability (over-recovery) of approximately \$28.0 million at December 31, 2006. Mr. Baumann attributed the over-recovery to a decrease in forward market prices and higher actual coal and hydro generation from the level used in forecasting the ES rate. Pursuant to Order No. 24,579 (January 20, 2006), PSNH allocated \$8.5 million of the ES charge over-recovery attributable to January, 2006 to the SCRC reconciliation, and the remaining \$19.5 million ES over-recovery to the February to December 2006 ES reconciliation.

Mr. Baumann reported that, for the reconciliation year, SCRC costs exceeded the related revenues, resulting in a deferred regulatory asset (under-recovery) of approximately \$10.7 million at December 31, 2006. He attributed the SCRC under-recovery to higher over-market IPP costs.<sup>3</sup>

According to PSNH, costs recovered through the ES charge include the fuel costs associated with PSNH's generation as well as costs and revenues from energy and capacity purchases and sales, including IPP power valued at market prices. In addition, ES costs include the non-fuel costs of generation including non-fuel O&M, depreciation, property taxes and payroll taxes and a return on the net generation investment. A new addition to the ES charge

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<sup>3</sup> This refers to the fact that among the costs that are recoverable by PSNH through the SCRC is the difference between the wholesale market price of electricity and the costs incurred by PSNH for mandated purchases from independent power producers (IPPs) under long term arrangements approved pursuant to PURPA -- the federal Public Utility Regulatory Policies Act. The costs associated with these arrangements are known in advance, but their allocation, as between the ES charge and the SCRC, is not. Thus, when actual wholesale market prices are lower than PSNH projected them to be, there is an over-recovery in ES revenues and an under-recovery in SCRC revenues.

reconciliation, as of December 1, 2006, is the costs and revenues associated with the NWPP, which came on line as of that date.<sup>4</sup>

The prefiled testimony of PSNH witness Richard C. Labrecque addressed how PSNH's generation resources and supplemental purchases were used to meet the energy and capacity requirements of PSNH during calendar year 2006. Mr. Labrecque testified that, as a load-holding entity, PSNH is responsible for having sufficient energy to meet the hourly needs of its customers and is also required to have sufficient capacity available to satisfy its share of the capacity requirements applicable to all of New England through regional grid operator ISO New England. Mr. Labrecque stated that PSNH meets these requirements through its owned generation, federally-mandated purchases under short-term rates and long term-rate orders from IPPs, and through supplemental purchases of energy and capacity from the market. According to Mr. Labrecque, PSNH met, on average, 67 percent of on-peak period energy requirements and 80 percent of off-peak period energy requirements with its owned generation resources listed in his Attachment RCL-1. He testified that PSNH's other energy requirements were met through spot market or bilateral market energy purchases with approximately 1,721 gigawatt-hours of on-peak energy purchased bilaterally at an average cost of \$103.68 per megawatt-hour for a total expense of \$178.5 million. The remaining bilateral energy was procured by fixed-price short term contracts to address unplanned outages and higher load periods. The combined expense for all supplemental energy purchases was \$277 million.

As for capacity, Mr. Labrecque testified that approximately 71 percent of PSNH's needs were met with generation resources, including PSNH-owned assets, IPPs, and contractual

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<sup>4</sup> See *Public Service Company of New Hampshire*, 89 NH 70 (2004) (Order No. 24,276), in which the Commission approved PSNH's proposal to modify Schiller Unit 5 from a boiler whose primary fuel source was coal to one whose primary fuel source is wood. The proposal approved in Order No. 24,276 included a mechanism for sharing the financial risks and rewards of the project between PSNH shareholders and PSNH customers.

arrangements with the Vermont Yankee nuclear power plant as well as Hydro-Quebec. PSNH purchased the remaining 29 percent bilaterally at a total cost of \$2,779,000, or an average of \$0.42 per kilowatt-month.

Mr. Labrecque testified that the new Forward Capacity Market (FCM) being created by ISO New England, as approved by the Federal Energy Regulatory Commission (FERC) on June 16, 2006, includes an "Installed Capacity Transition Period" during which all qualified capacity supply resources are paid a negotiated fixed rate. The transition period began on December 1, 2006, with PSNH incurring \$911,000 of capacity costs for that month, based on 299 net megawatts of net capacity obligation (comprising the difference between the capacity from PSNH's supply resources and PSNH's relative share of the prior year ISO-NE peak demand).

PSNH witness William H. Smagula provided testimony regarding the performance of PSNH's generating units and the unplanned outages that took place at PSNH's fossil fired and hydroelectric units and at FPL Energy's Wyman Station, Unit No. 4 in Maine, of which PSNH is a small minority owner, during 2006. He reported that PSNH's generating units operated well in 2006, with total generation for 2006 at 4,579,261 MWh. He stated that the fleet's availability during the 30 highest priced days was 97.6 percent when customer exposure to high market prices was at its greatest. Mr. Smagula included a list of all unplanned outages along with outage reports for those outages in excess of two days for Merrimack Station and Newington Station, and for outages in excess of four days at Schiller Station and Wyman Station Unit No. 4.

In addition, Mr. Smagula presented testimony about the NWPP at Schiller Station. Mr. Smagula identified the major capital components of the NWPP to be (1) a new boiler, (2) a wood processing facility, (3) an electrical substation for reliable station service power, and (4) construction of a screening wall and berm and upgrades to the road leading to Schiller Station as

required by the City of Portsmouth. Mr. Smagula stated that the project was completed at a total capital cost of \$73.6 million, including \$2.4 million of unanticipated additional capital costs related to the screening wall, berm and road improvements. Despite those additional capital expenditures, the Company noted that the final capital cost of \$73.6 million was within the \$72 to \$75 million range for full cost recovery included in the Commission's initial approval of the project. In addition, Mr. Smagula testified that revenues from the sale of renewable energy credits (RECs) associated with the generation output of the project exceeded PSNH's original projections, and that PSNH would be eligible to receive production tax credits pursuant to the Energy Policy Act of 2005.

While PSNH agreed to have the final Liberty report on PSNH's coal procurement and transportation operations considered in this docket, it disagreed with one of the report's recommendations. In its comments filed September 14, 2007, PSNH took issue with the recommendation that \$140,000 of costs associated with what the report described as "inventory control problems" at Merrimack Station not be recovered from PSNH's customers. In PSNH's view, the additional costs were related to spot purchases of coal which are necessary from time to time due to factors such as contract coal mine disruptions or perturbations, transportation (rail) inefficiencies resulting in delayed deliveries, and varying capacity factors of the generating plants. According to PSNH, it was experiencing some of those factors at the time of the spot market coal purchase. PSNH stated that the purchase was reasonable because it remedied low inventory conditions and ensured continued winter-time operation of Merrimack Station. PSNH concluded that no disallowance was warranted.

The pending PSNH motion for confidential treatment concerns a settlement agreement PSNH executed with Alstom Power, Inc. (Alstom), the principal contractor in charge of



engineering, procurement and fabrication of the boiler island at Schiller Unit No. 5. According to PSNH, during the course of the construction, various issues arose which Alstom and PSNH resolved to their mutual satisfaction in the settlement agreement. PSNH noted that both parties agreed that certain terms of the settlement agreement are confidential and protected from public disclosure.

In support of its motion, PSNH stated that many difficult and financially significant items were resolved without litigation or delay through the settlement agreement, and that both PSNH and Alstom each faced risks of prevailing on these issues had they been the subject of arbitration or court proceedings. According to PSNH, resolving these issues in an agreement provided for timely completion of the construction and testing. Further, PSNH said it is common for such settlements to remain confidential so that both the contractor and the customer/owner do not publicly reveal the issues on which compromise was reached. Therefore, PSNH requested that the Commission issue an order preventing the public disclosure of the settlement agreement with Alstom pursuant to RSA 91-A:5,IV and N.H. Code Admin. Rules Puc 204.06.

#### **B. Office of Consumer Advocate**

While it did not file testimony in this proceeding, the OCA participated in settlement discussions and is a party to the stipulation and settlement agreement. The OCA shared the concerns of Staff regarding power supply, outages, the costs associated with NWPP and the coal investigation.

#### **C. Commission Staff**

Utility Analyst Steven E. Mullen filed testimony on October 5, 2007 and supplemented that testimony on October 9, 2007. Mr. Mullen's testimony dealt with two issues: Staff's review and audit of costs associated with the NWPP and the results of Staff's investigation into PSNH's

coal procurement practices. Regarding its audit of the capital costs of the NWPP, Staff recommended specific accounting adjustments that increased the total capital costs to \$74.5 million as compared to \$73.6 million as reported in the testimony of PSNH witness Mr. Smagula. Staff attributed the \$0.9 million difference to four items: (1) preliminary costs incurred during the planning phase of the project that were charged to expense in 2003, (2) a portion of the costs of installing a screening wall that were charged to Merrimack Station and written off to fuel expense, (3) a portion of the costs of road improvements required by the City of Portsmouth's approval process that were either included in Schiller Station ash expense or charged to Merrimack Station and written off to fuel expense, and (4) a \$150,000 builder's risk insurance deductible that PSNH at one point thought it might be required to pay. Staff noted that the first three items relate to disagreement as to how the costs are accounted for rather than a dispute about the amounts themselves. Staff recommended that these costs be added to the total capital cost of the project. As for the \$150,000 potential insurance deductible, Staff noted that although the amount was not recorded on PSNH's books, it was included in the costs reported in Mr. Smagula's testimony. Staff recommended that the \$150,000 be deducted from the total costs for which PSNH is seeking approval. Mr. Mullen referred to the audit report, filed as a supplement to his testimony on October 9, 2007, for further detail.

Mr. Mullen summarized the results of the Liberty Consulting Group's investigation of PSNH's coal procurement and transportation operations. The report included positive comments concerning PSNH's responses to many of the challenging coal supply and transportation situations it encountered during the late 2003 through 2006 period reviewed. In addition, the report made several recommendations regarding improvements and revisions to some of PSNH's policies and procedures, with which PSNH agreed. Mr. Mullen reported that

one recommendation with which PSNH disagreed was the conclusion that PSNH incurred an additional \$140,000 or coal procurement costs due to what it considered inventory control problems at Merrimack Station.

In his testimony, Mr. Cannata discussed his review of the market-based capacity and energy planning performed by PSNH during 2006 that supplemented its owned generation resources to supply energy service to its customers, and outages that occurred at all of PSNH's generating units during 2006. In Mr. Cannata's opinion, PSNH made appropriate management decisions with regard to its capacity and energy purchases in a market environment, and that the capacity factor projections used for 2006 market purchases were reasonable. He also concluded that PSNH's base load units ran well in 2006. With the exception of three minor outages, Mr. Cannata also concluded that the outages he reviewed were reasonable; he recommended a disallowance for the replacement power costs associated with the three outages.

Mr. Cannata made two additional recommendations regarding PSNH's plant outages. First, because some of the outages were attributable to actions by PSNH's transmission or distribution groups, he was unable to determine the root cause of those outages due to PSNH's code-of-conduct restrictions. He recommended that, beginning with the 2007 SCRC/ES reconciliation filing, to be made in May 2008, PSNH include brief reports on outages caused by transmission, distribution or protective relay events, including sufficient information to explain why the generation was interrupted, whether the interruption was as designed, whether good utility practice was followed in the design and operation of transmission and distribution equipment, whether the quality of service meets the distribution or transmission system standards of service, and whether the equipment operated properly. He also recommended that similar reports be filed in this docket for the 2006 outages for which he was unable to conduct a

complete review due to code-of-conduct restrictions that prevent transmission and distribution personnel from collaborating with managers with generation and power procurement responsibilities. Finally, he observed a decline in the availability and capacity factors for Unit 1 at Merrimack Station since PSNH went to a two-year maintenance cycle for that unit beginning in 2004. Therefore, he recommended that PSNH determine the costs and benefits of the reduction in the availability and capacity factors associated with the two-year maintenance cycle.

#### **D. Stipulation and Settlement Agreement**

The stipulation and settlement agreement filed with the Commission on November 5, 2007 resolved all of the areas of disagreement in the docket.

With respect to Mr. Cannata's review of PSNH's operation of its generating plants, and the market-based capacity and energy planning performed during 2006, the parties and Staff agreed with the conclusions set forth in Mr. Cannata's testimony. Regarding the three minor plant outages for which Mr. Cannata recommended disallowance of the replacement power costs, PSNH agreed not to seek recovery of those costs, which totaled \$3,953, without conceding that that outages were the result of imprudence. PSNH agreed to credit its current ES costs in that amount.

In addition, PSNH accepted Mr. Cannata's recommendation that, beginning with the 2007 SCRC and ES reconciliation filing to be submitted in May 2008, PSNH include brief reports on outages caused by the transmission or distribution groups. PSNH agreed that the reports will contain the level of information recommended by Mr. Cannata in his testimony. PSNH also agreed to file similar reports in this docket with respect to the 2006 unit outages caused by the distribution or transmission groups for which Mr. Cannata was unable to complete his review due to PSNH's code-of-conduct information restrictions. The parties and Staff agreed

that these reports will be reviewed by Staff prior to PSNH's filing of its 2007 SCRC/ES reconciliation in May 2008 with the results of that review being included in the May 2008 docket.

At hearing, PSNH agreed to another recommendation of Mr. Cannata, which was inadvertently omitted from the settlement agreement. PSNH agreed to analyze the costs and benefits of the reduction in availability and capacity factors as a result of implementing a two-year maintenance cycle at Merrimack Unit No. 1. PSNH testified that it agrees to conduct such an analysis and to submit a report with the next SCRC/ES reconciliation filing in May 2008.

With respect to the investigation of PSNH's coal procurement and transportation operations, PSNH accepted the report's recommendations regarding revisions and/or improvements to PSNH's documents, policies and/or procedures. With respect to the proposed \$140,000 penalty for PSNH's purchase of coal on the spot market, the parties and Staff agreed that PSNH would reduce its costs by \$70,000 as a resolution of this issue. The agreement is based on the recognition that PSNH would have been required to make a spot coal purchase regardless of the accuracy of its book inventory, but that the cost of the spot purchase may have been less if it had been made at an earlier date. Without conceding imprudence in managing its coal inventory, PSNH agreed that it would not seek recovery of \$70,000 of coal expense and would credit its energy service costs by that amount.

Finally, with respect to Staff's Audit of the NWPP, PSNH accepted the recommendations as detailed in the audit report. PSNH agreed to make the recommended changes to the 2006 Energy Service reconciliation amount, and to adjust the 2006 over-recovery appropriately so that the updated calculations are part of the 2008 ES rate to be filed on November 21, 2007, in Docket No. DE 07-096. PSNH also agreed to provide the parties with copies of the related

accounting entries, the final determination of the amounts charged to individual plant accounts, and detail concerning when individual asset retirement entries were posted to PSNH's books.

### **III. COMMISSION ANALYSIS**

As the result of PSNH having entered into the Restructuring Agreement, which resulted in the Commission issuing a financing order that securitized certain of PSNH's recoverable stranded costs, PSNH is obliged to use its generation fleet for the provision of energy service and may recover its "actual, prudent and reasonable costs" in connection with such use of these facilities. *See* RSA 369-B:3, IV(b)(1)(A) (noting that this obligation remains effective until PSNH divests its generation fleet); *see also* RSA 369-B:3-a ("subsequent to April 30, 2006, PSNH may divest its generation assets if the commission finds that it is in the economic interest of retail customers of PSNH to do so, and provides for the cost recovery of such divestiture"). To the extent that PSNH must procure retail energy from other sources, we review these costs for their prudence as well. *See Public Service Co. of New Hampshire*, Order No. 24,695 (Nov. 8, 2006), slip op. at 31-32.

Regarding the terms of the settlement agreement, we find that the public interest is served by the Parties' and Staff's ability to resolve a variety of issues stemming from separate investigations. Taking into account the extensive investigation into PSNH's coal procurement practices, Staff's audit of the capital costs of the Northern Wood Power Project and the review of PSNH's 2006 energy and capacity purchases and generating unit outages, we note that the Parties and Staff expended a great deal of time and effort exploring details related to those issues. Accordingly, in light of the record, we approve the settlement agreement as a reasonable resolution of the issues before us. In addition, we will require, as an addendum to the settlement agreement, PSNH's commitment to conduct an analysis of the costs and benefits of using a two-

year maintenance cycle at Unit 1 of its Merrimack Station, with a report of such analysis to be included with its May 2008 filing of its 2007 SCRC and ES reconciliations.

With respect to PSNH's motion for confidential treatment, we note that the Alstom settlement agreement provided that the parties would hold certain terms of the settlement confidential, and PSNH's assertion that the redacted terms of the agreement contain confidential commercial and financial information protected from disclosure pursuant to RSA 91-A:5, IV. The Right-to-Know Law provides each citizen with the right to inspect all public records in the possession of the Commission. *See* RSA 91-A:4, I. One exception, as noted by PSNH, is confidential commercial and financial information. In deliberating whether to accord information confidential treatment, the Commission engages in a balancing test to determine whether confidential treatment should be granted. *See e.g., Union Leader Corporation v. New Hampshire Housing Finance Authority*, 142 N.H. 540 (1997).

We note that no parties have objected to the motions for protective order and confidential treatment and that the information for which protective treatment is sought is similar to information for which the Commission has granted protective treatment in the past. In balancing the interests for and against public disclosure of the information for which confidential treatment is sought, we are persuaded on the basis of the record in this docket that the interests of PSNH and Alstom outweigh the public's interest in obtaining access to the information. We will therefore grant confidential treatment to the Alstom Settlement Agreement. Consistent with our practice, the confidential treatment provisions of this Order will be subject to the on-going rights of the Commission, on its own motion or on the motion of Staff, any party or any other member of the public, to reconsider in light of RSA 91-A, should circumstances so warrant.

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

**ORDERED**, the stipulation and settlement agreement entered into by Public Service Company of New Hampshire, the Office of Consumer Advocate, and Commission Staff to resolve PSNH's 2006 Reconciliation of Stranded Cost Recovery Charge and Energy Service Charge is hereby APPROVED along with the term agreed to at hearing whereby PSNH agrees to conduct a cost-benefit analysis of the two-year maintenance cycle for Merrimack-1; and it is

**FURTHER ORDERED**, that PSNH's Motion for Protective Treatment of the confidential terms of the Alstom Settlement Agreement is hereby GRANTED.

By order of the Public Utilities Commission of New Hampshire this seventh day of December, 2007.

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Thomas B. Getz  
Chairman

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Graham J. Morrison  
Commissioner

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Clifton C. Below  
Commissioner

Attested by:

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Debra A. Howland  
Executive Director & Secretary