

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 12-295

PNE ENERGY SUPPLY, LLC d/b/a POWER NEW ENGLAND

**Review of Public Service Company of New Hampshire Tariff Charges
to Competitive Energy Suppliers**

Order Approving Temporary Rates

ORDER NO. 25,626

January 31, 2014

APPEARANCES: James T. Rodier, Esq. and Sheehan, Phinney, Bass & Green PA by Christopher Cole, Esq. on behalf of PNE Energy Supply, LLC; Murtha Cullina LLP by Robert J. Munnely, Jr. for North American Power & Gas, LLC; Orr & Reno by Douglas L. Patch, Esq. on behalf of Retail Energy Supply Association; Bernstein, Shur, Sawyer & Nelson, PA by Christopher G. Aslin, Esq. on behalf of Electricity N.H. LLC; Matthew J. Fossum, Esq. on behalf of Public Service Company of New Hampshire; the Office of Consumer Advocate by Susan W. Chamberlin, Esq. on behalf of residential ratepayers; and Suzanne G. Amidon, Esq. on behalf of Commission Staff.

I. PROCEDURAL BACKGROUND

This proceeding was initiated by a petition filed by PNE Energy Supply, LLC (PNE) on October 12, 2012 requesting review of certain tariff charges assessed by Public Service Company of New Hampshire (PSNH) for the Selection, Billing and Payment, and Collection services it provides to competitive energy providers (CEPs) serving customers in PSNH's franchise territory. In the first phase of this proceeding, the Commission directed PSNH to conduct an incremental cost study to determine the appropriate costs for such services. Order No. 25,603 (December 13, 2013).

Pursuant to a Supplemental Order of Notice that was issued on December 13, 2013, the Commission scheduled a hearing on temporary rates on January 13, 2014.

On January 13, 2014, Electricity N.H., LLC (ENH), North American Power & Gas, LLC (NAPG), Retail Energy Supply Association (RESA) (Collectively known as the Intervening CEPs) and PNE filed a proposal for temporary rates that included: 1. A selection charge of \$0.15; and 2. a combined Billing, Payment and Collection charge of \$0.26 per bill rendered.

Following the hearing on January 13, 2014, Staff, the Office of Consumer Advocate (OCA), PSNH and the Intervening CEPs met in technical session. Staff filed a report of the technical session on January 14, 2014 with a proposed procedural schedule agreed to by the parties. The Commission approved the proposed procedural schedule by a secretarial letter dated January 17, 2014. Staff's letter of January 14, 2014 also reported that the parties had discussed a possible settlement of the level of temporary rates for the three tariff charges. On January 21, 2014, Staff filed a letter reporting that the parties had agreed to the following temporary rates for the charges to CEPs:

- 1) For the Selection charge, the rate would be changed from \$5.00 to \$0.15 per transaction, and would be charged consistent with Order No. 25,603;
- 2) For the Billing and Payment charge, the rate would be changed from \$0.50 to \$0.26 per bill rendered; and
- 3) The Collection charge would remain at 0.252% of total monthly receivable dollars as presently set out in the tariff of Public Service Company of New Hampshire (PSNH).

Staff stated that the parties had agreed that Staff's letter would constitute the only written filing describing the settlement on temporary rates. Staff's letter proposed that the new rates be effective February 1, 2014.

II. COMMISSION ANALYSIS

The goal of this second phase of the proceeding is to set permanent rates for the charges assessed by PSNH to CEPs for Selection, Billing and Payment, and Collection services. The Commission will establish permanent rates following PSNH's conduct and submission of an incremental cost study for such charges, and review of the cost study by Commission Staff and the other parties to this docket. The temporary rate hearing was held to assist the Commission in establishing temporary rates for PSNH's charges until the approval of permanent rates, and to fix a date for reconciliation of permanent rates with the approved temporary rates.

Pursuant to RSA 541-A:38, informal settlement of matters by non-adjudicative processes is encouraged, and pursuant to New Hampshire Code Admin. Rules Puc. 203.20, the Commission has authority to approve a settlement agreement if it determines that the settlement agreement is just and reasonable and serves the public interest. We have reviewed the proposed temporary rates agreed to by the parties as stated in Staff's letter of January 21, 2014 and we find the agreed-upon rates to be just and reasonable pursuant to RSA 378:7 and in the public interest. Further, we find the rates reasonably balance PSNH's need to receive the value of the services it provides with the CEPs' argument that they should only pay the incremental costs associated with PSNH's performance of such services.

On that basis, we approve temporary rates for the Selection charge at \$0.15 per transaction, the Billing and Payment charge at \$0.26 per bill rendered, and the Collection charge at 0.252% of total monthly bills receivable. These rates shall be effective February 1, 2014. PSNH shall have 20 days from the date of this order to file conforming tariffs. Once we

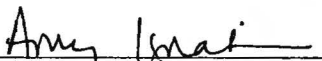
establish permanent rates, the permanent rates shall be reconciled with temporary rates back to February 1, 2014.


Based upon the foregoing, it is hereby

ORDERED, that effective February 1, 2014, Public Service Company of New Hampshire shall establish temporary rates for its charges for services to competitive energy providers as follows: Selection Charge, \$0.15 per transaction and consistent with Order No. 25,603, Billing and Payment Charges, \$0.26 per bill rendered, and Collection Service Charges, 0.252% of total monthly bill receivables; and it is

FURTHER ORDERED, that Public Service Company of New Hampshire shall file tariffs conforming to this Order within 20 days hereof.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of January, 2014.


Amy Ignatius
Chairman


Robert R. Scott (RNS)
Commissioner


Martin P. Honigberg
Commissioner

Attested by:


Debra A. Howland
Executive Director