

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 11-216

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Request to Amend Alternate Default Service Rate

Order Denying Motion to Strike and Scheduling Prehearing Conference

ORDER NO. 25,724

October 15, 2014

In this Order, the Commission denies Freedom Energy Logistics' Motion to Strike PSNH's filing and schedules a prehearing conference for this matter.

I. PROCEDURAL HISTORY

This docket opened on September 23, 2011, when Public Service Company filed a proposal to establish an alternate default energy service rate (Rate ADE) pursuant to Order No. 25,256 (July 26, 2011). On April 8, 2013, the Commission issued Order No. 25,488 in the instant docket approving a settlement agreement allowing PSNH to implement Rate ADE on a pilot basis. Pursuant to the settlement agreement, PSNH sets the price of Rate ADE on an annual basis at the same time PSNH sets the price for default energy service (Rate DE) and includes an adder equal to the non-operating costs of the wet flue gas desulfurization system (Scrubber) at Merrimack station. PSNH applies revenue it receives from the adder to offset default energy service costs.

On June 23, 2014, Staff and the Office of Consumer Advocate (OCA) filed a joint recommendation to close Rate ADE to new customers, in large part because Rate ADE had not provided the expected benefits for Rate DE customers. PSNH filed a letter on June 25, 2014,

agreeing that Rate ADE should be revisited, and on June 27, 2014, the Commission issued a secretarial letter ordering PSNH to work with the parties to modify Rate ADE.

On September 15, 2014, PSNH filed a proposal to amend Rate ADE by making the rate applicable only to commercial customers (Rates GV, LG and B). If the proposal were adopted, as of January 1, 2015, all customers in rate classes GV, LG and B who were not taking service under Rate DE from PSNH would only have Rate ADE available as a default service option. Any customer in those rate classes taking service under Rate DE as of January 1, 2015, would remain on Rate DE for as long as the customer remained with PSNH. Should such a customer leave Rate DE for competitive supply at any point after January 1, 2015, only Rate ADE would be available as a default service option when or if the customer returned to default service from PSNH. PSNH also proposed to change Rate ADE from an annual rate to a monthly variable rate to align the cost of service provided through Rate ADE at the market rate.

On September 22, 2014, intervenor Freedom Logistics LLC d/b/a Freedom Energy Logistics (FEL) filed a motion to strike PSNH's petition. FEL claimed that the Commission's June 27, 2014 letter required PSNH to consult with all intervenors in DE 11-216 in the development of a new Rate ADE proposal. FEL also said that the issues related to PSNH's proposal were not properly noticed. On September 23, 2014, PSNH filed an objection to FEL's motion stating that (1) PSNH had interpreted the Commission's directive to consult with parties to be limited OCA and Staff, parties to the settlement agreement, and (2) notice was adequate given the issuance of Commission's June 27th secretarial letter.

II. COMMISSION ANALYSIS

The Commission has reviewed PSNH's petition and FEL's motion. PSNH filed its revised Rate ADE proposal in response to the Commission's directive and we direct Staff to

develop a process for reviewing the proposal. FEL's motion to strike is similar to testimony regarding the merits of PSNH's proposal and we deny the motion to strike. FEL is an intervenor in this docket and can provide input in the normal course.

The filing raises, inter alia, issues related to whether PSNH's proposal is consistent with the restructuring principles of RSA 374-F, and whether the resulting rates are just and reasonable pursuant to RSA 378:5 and in the public interest. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, FEL's motion to strike is hereby DENIED; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 29, 2014 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15, and that a Hearing in this matter shall be held on December 9, 2014 pursuant to N.H., Code Admin Rules Puc 203.12 at 10:00 a.m.; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing, and to establish a procedural schedule to accommodate a hearing on December 9, 2014; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 20, 2014, in a newspaper with general circulation in those portions

of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 27, 2014; and it is


FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding, and not already granted party status, shall submit to the Commission seven copies of a Petition to Intervene with copies sent to PSNH and the Office of the Consumer Advocate on or before October 24, 2014, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 29, 2014.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of October, 2014.



Robert R. Scott
Commissioner



Martin P. Honigberg
Commissioner

Attested by:



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.