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STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

October 9, 2007 - 10:06 a.m.  
Concord, New Hampshire

MPUC OCT20 2007 AM 9:01

RE:   **DE 07-097**  
      **PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE:**  
      **Petition to adjust its Stranded Cost**  
      **Recovery Charge for effect with bills**  
      **rendered on or after January 1, 2008.**  
      **(Prehearing conference)**

**PRESENT:**     Chairman Thomas B. Getz, Presiding  
                  Commissioner Graham J. Morrison

Connie Fillion, Clerk

**APPEARANCES:**   **Reptg. Public Service Co. of New Hampshire:**  
                          Gerald M. Eaton, Esq.

**Reptg. the Campaign for Ratepayers' Rights:**  
                          Patrick Arnold, Esq.

**Reptg. Residential Ratepayers:**  
                          Meredith Hatfield, Esq., Consumer Advocate  
                          Kenneth E. Traum, Asst. Consumer Advocate  
                          Office of Consumer Advocate

**Reptg. PUC Staff:**  
                          Suzanne G. Amidon, Esq.

Court Reporter:   Steven E. Patnaude, CCR

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We'll open the hearing in docket DE 07-097. On September 7, 2007, Public Service Company of New Hampshire filed with the Commission a petition to adjust its Stranded Cost Recovery Charge for effect with bills rendered on or after January 1 2008. PSNH is currently billing an average SCRC rate of 1.43 cents per kilowatt-hour. By petition, PSNH seeks to adjust the SCRC rate to be charged to customers beginning January 1. According to PSNH's preliminary analysis, the 2008 average rate will be 0.88 cents per kilowatt-hour, or 0.55 cents lower than the current average rate of 1.43 a kilowatt-hour.

We issued an order of notice on September 14, setting the prehearing conference for this morning. I'll note for the record that we have filed with the Commission the Office of Consumer Advocate's Notice of Participation. There's a Petition for Intervention from the Campaign for Ratepayers' Rights. And, the Company filed its affidavit of publication on October 2nd.

MR. EATON: Good morning. For Public Service Company of New Hampshire, my name is Gerald M.

1       Eaton.

2                   CMSR. BELOW: Good morning.

3                   CHAIRMAN GETZ: Good morning.

4                   MR. ARNOLD: Good morning. For the

5 Campaign for Ratepayers' Rights, Patrick Arnold.

6                   CHAIRMAN GETZ: Good morning.

7                   CMSR. BELOW: Good morning.

8                   MS. HATFIELD: Good morning,

9 Commissioners. Meredith Hatfield, for the Office of

10 Consumer Advocate, on behalf of residential ratepayers.

11 And, with me is Assistant Consumer Advocate, Ken Traum.

12                   CHAIRMAN GETZ: Good morning.

13                   CMSR. BELOW: Good morning.

14                   MS. AMIDON: Good morning. I'm Suzanne

15 Amidon, for Commission Staff. And, with me today is Steve

16 Mullen, who is an Analyst with the Electric Division, and

17 he will be working on this docket.

18                   CHAIRMAN GETZ: Good morning.

19                   CMSR. BELOW: Good morning.

20                   CHAIRMAN GETZ: Anything we need to

21 address before we provide the opportunity for statements

22 of positions?

23                   (No verbal response)

24                   CHAIRMAN GETZ: Hearing nothing, then,

1 Mr. Eaton.

2 MR. EATON: Good morning, Mr. Chairman.  
3 We are here to approve a rate for the entire year of 2008  
4 for the Stranded Cost Recovery Charge. This charge  
5 collects the cost of Rate Reduction Bonds and certain  
6 ongoing costs that are in Part 2 of stranded costs,  
7 including the above-market costs of independent power  
8 producers that sell power to PSNH. We do not propose a  
9 specific rate at this time, because the definition of  
10 "above-market" deserves a more timely estimate of what the  
11 market costs will be. So, in this docket, as we will do  
12 in the Energy Service docket, we will file updated  
13 estimates as we get closer to the hearing dates, so that  
14 we can have a very accurate number for the Commission to  
15 look at and consider.

16 The reduction that we anticipate  
17 includes a reduction in IPP costs. There are some large,  
18 expensive IPPs that go off rate orders in 2008, and that's  
19 reflected in our estimate. And, also, there were Rate  
20 Reduction Bonds that were issued to secure and pay for the  
21 buyout of the Whitefield rate Order, and those bonds are  
22 completely paid off in 2008. And, that's also a reduction  
23 that we know will happen in the period when this rate is  
24 in effect.

1 In order to avoid any substantial  
2 overcollection or undercollection and deferral of costs,  
3 we will examine -- we'll examine the actual experience and  
4 propose a change in rate, if necessary, in the mid year.

5 CHAIRMAN GETZ: Thank you. Mr. Arnold.

6 MR. ARNOLD: Good morning, Mr. Chairman,  
7 Commissioners. As I believe everyone here knows, the  
8 Campaign for Ratepayers' Rights is a statewide nonprofit  
9 organization. We advocate the interests of utility  
10 customers and promote responsible energy policies  
11 throughout the state. To that end, of course, we're  
12 interested in any adjustment to rates or charges charged  
13 to the state's utility customers. And, at this time,  
14 we're merely monitoring the docket.

15 CHAIRMAN GETZ: Thank you. Ms.  
16 Hatfield.

17 MS. HATFIELD: Thank you. At this time,  
18 the OCA doesn't have a position on PSNH's filing, but we  
19 will be fully participating in the technical sessions and  
20 working with the parties as we develop our position.

21 CHAIRMAN GETZ: Ms. Amidon.

22 MS. AMIDON: Thank you. Staff is still  
23 in the process of reviewing the docket, and we will, you  
24 know, get into discovery later on in the technical session

1 that follows the prehearing conference. We have a  
2 proposed procedural schedule that comports with PSNH's  
3 requirement to have an order issued by the end of the  
4 year, and a proposed hearing date is on hold. So, we hope  
5 that the parties will agree to the procedural schedule and  
6 we'll proceed with our investigation of the docket.

7 CHAIRMAN GETZ: Thank you. Okay. Is  
8 there anything else we should address this morning?

9 MR. EATON: The intervention?

10 CHAIRMAN GETZ: Ah, yes. That was on my  
11 list as well. Any objections to the Petition to  
12 Intervene?

13 MR. EATON: We have no objection.

14 CHAIRMAN GETZ: Okay. Hearing no  
15 objection, and recognizing that Campaign for Ratepayers'  
16 Rights has demonstrated rights, duties, interests,  
17 privileges that are affected by this proceeding, we'll  
18 grant the Petition to Intervene. Thank you, Mr. Eaton.

19 Anything else?

20 (No verbal response)

21 CHAIRMAN GETZ: Okay. Then, we'll close  
22 the prehearing conference and await a recommendation on a  
23 procedural schedule. Thank you.

24 **(Whereupon the prehearing conference ended at 10:13 a.m.)**