

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 08-114

ORDER OF NOTICE

On May 20, 2009, Public Service Company of New Hampshire (PSNH) filed a petition, with supporting testimony and schedules, requesting a mid-term adjustment to its stranded cost recovery charge (SCRC) rate on a service-rendered basis effective August 1, 2009. The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH's Restructuring in Docket No. DE 99-099 (Restructuring Agreement).

The Restructuring Agreement defined PSNH's stranded costs and categorized them into three different parts (Part 1, Part 2 and Part 3), all of which are recovered through the SCRC rate. Part 1 SCRC is calculated to recover the principal, net interest and fees associated with rate reduction bonds. Part 2 costs are "ongoing" stranded costs consisting primarily of the over-market value of energy purchased from independent power producers (IPPs) and the amortization of payments previously made for IPP buy-downs and buy-outs approved by the Commission. Part 3 costs, which were primarily the amortization of non-securitized stranded costs, were fully recovered in June 2006.

The Commission approved the current average SCRC rate of 0.98 cents per kWh by Order No. 24,932 (December 19, 2008) entered in the instant docket. In the current filing, PSNH projects an increase in the average SCRC rate to 1.14 cents per kWh. PSNH states that the increase is due to an increase in the above-market portion of the IPP valuation caused by a decrease in current market prices as compared to estimates used by the Company in calculating

the 2009 SCRC rate. PSNH represents that it will update the SCRC rate calculation based on the most recent forecast and actual experience through May 2009 before the hearing.

In its filing, PSNH requested that the Commission approve an August 1, 2009 effective date for the mid-year adjustment of the SCRC rate, instead of the customary date of July 1st to coincide with PSNH's request for temporary rates effective August 1st in PSNH's distribution rate case (DE 09-035). PSNH added that it will also request changes to its energy service rate and transmission cost adjustment mechanism effective August 1st to avoid frequent rate changes and customer confusion, and to provide for rate stability. For administrative efficiency, the Commission will hold hearings on each of these three proceedings on the same day; however, each proceeding will be separately noticed.

The filing raises, *inter alia*, issues related to whether PSNH's calculations and estimates of costs and revenues are reasonable and whether the resulting rates are just and reasonable as required by RSA 378:5 and 8. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing pursuant to N.H. Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on July 2, 2009 at 9:00 a.m.; and it is

FURTHER ORDERED, that the sequence of hearings on that date shall be as follows: DE 08-114 (stranded cost recovery charge); DE 08-113 (energy service rate); and the to-be-filed transmission cost adjustment mechanism; and it is

FURTHER ORDERED, that pursuant to N.H. 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 June 19, 2009, 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 July 2, 2009; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding 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 June 29, 2009, 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. 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 July 2, 2009.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of June, 2009.



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.