

**STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
INTER-DEPARTMENT MEMORANDUM**

Date: June 12, 2009

TO: Commissioners

FROM: F. Anne Ross, Hearing Examiner *FAR*

RE: DE 09-035 Public Service Company of New Hampshire
Distribution Service Rate Proceeding



HEARING EXAMINER'S REPORT

At your request, I presided over the June 10, 2009 prehearing conference in the above referenced case.

On April 17, 2009, Public Service Company of New Hampshire (PSNH) filed a petition for temporary delivery rates pursuant to RSA 378:27. PSNH filed a notice of intent to file rate schedules pursuant to N.H. Code Admin. Rules Puc 1604.05 on May 29, 2009 and has committed to file for permanent rates on or before July 1, 2009.

The Supplemental Order of Notice issued on May 22, 2009 scheduled a prehearing conference on June 10, 2009 and a hearing on temporary rates on July 13, 2009. The prehearing conference was conducted as provided in the Supplemental Order of Notice, and considered: 1) petitions to intervene and objections thereto; and 2) preliminary positions on both procedural and substantive issues.

Following the hearing I asked the parties to meet and negotiate a procedural schedule for the temporary rate portion of the docket as well as for the permanent rate portion.

Appearances

Gerald M. Eaton, Esq. for PSNH.
Meredith A. Hatfield, Esq. for Office of Consumer Advocate (OCA)
Edward N. Damon, Esq. and Matthew Fossum, Esq. for Commission Staff (Staff)

Intervention Requests

Unitil Energy Systems, Inc. (Unitil)

Preliminary Positions of the Parties

No party objected to Unitil's intervention request, however, Staff noted that if Unitil wished to change its limited participation or to have access to confidential information those changes would be subject to Commission approval.

PSNH stated that its temporary rates were necessary in light of its \$51,000,000 annual revenue deficiency which will be reflected in its permanent rate filing. PSNH indicated that it needs to begin recovering some of the costs of the 2008 ice storm. PSNH also seeks to withdraw its Memorandum filed with the Commission on May 15, 2009.

OCA took no position on the merits of PSNH's temporary rate request. OCA indicated that since PSNH has moved the requested effective date for temporary rates to August 1st and committed to filing for permanent rates on or before July 1st the OCA has no further concerns with those timing issues.

Staff indicated that it had not completed its review of the temporary rate request, but that it questioned whether the pro forma adjustments to revenue and expenses made in the temporary rate filing were consistent with RSA 378:27. Staff also questions the treatment of the 2008 ice storm expenses for ratemaking purposes.

Technical Session

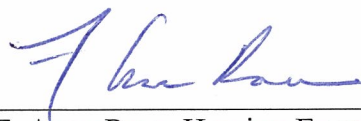
As reported by Edward N. Damon, the parties' proposed procedural schedule for temporary rates includes rolling data requests to PSNH with responses due within ten days beginning on June 10, 2009 and continuing until the hearing on temporary rates on July 13, 2009.

The parties did not recommend any procedural schedule for PSNH's permanent delivery rate request and suggested that the procedural schedule could wait until after an order of notice and any additional interventions take place in that phase of the docket.

Recommendations

I recommend that Unitil be granted intervention subject to its agreement regarding limited participation and without access to confidential material.

I recommend the Commission approve the proposed procedural schedule.

By 
F. Anne Ross, Hearing Examiner