

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

DE 09-186

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Request for Approval of a Renewable Default Service Rate

Order Suspending Tariff and Scheduling Prehearing Conference

ORDER NO. 25,026

October 9, 2009

On September 30, 2009, Public Service Company of New Hampshire, (PSNH) filed a request for approval of a new renewable default service rate option for its customers pursuant to House Bill 395 (2009 NH Laws 236), codified as RSA 374-F:3,V(f). This provision requires New Hampshire electric utilities to offer one or more renewable energy source options to its customers. With the petition, PSNH filed a proposed tariff and the supporting testimony and related attachments of Rhonda J. Bisson, Senior Analyst in the Rate and Regulatory Services Department of PSNH, and Richard C. Labrecque, Supplemental Energy Sources Manager for PSNH.

The Company explained that, under the proposed renewable default service option, it would purchase renewable energy certificates (RECs) on behalf of participating customers from qualifying renewable sources of generation in New England that match either all or a portion of the customers' actual energy use. PSNH would only purchase Class I (new) or Class II (solar) RECs for its renewable default service rate option.

Customers who elect the renewable default service rate would be billed at the default energy service rate plus an additional charge, in cents per kilowatt hour (kWh) based on the renewable option chosen. PSNH said it plans to offer three options to its customers whereby the

Company would purchase and retire RECS matching: 1) 25% of a customer's actual energy use; 2) 50% of a customer's actual usage; and 3) 100% of a customer's actual energy usage. PSNH stated that these REC purchases would be in addition to PSNH's obligations under the Electric Renewable Portfolio Standard law (RSA 362-F).

PSNH proposes to use a regulatory process that establishes, in advance, a rate between the forecasted market cost and the alternative compliance payment (ACP) for Class I and Class II RECs. PSNH plans to establish the rate for effect on January 1 of each year, and then allow for an adjustment of the rate on July 1 of each year if the market prices are considerably higher or lower than the renewable default energy service rate. PSNH is also requesting that the Commission approve a reconciliation of the renewable default energy service rates in the default energy service rate for over and under-collections that may occur.

PSNH said it would make the renewable default energy service rate available only to customers who receive default energy service under PSNH's energy service rate DE. Customers enrolled in PSNH's Residential Electric Assistance Program Rate EAP or who receive electric service payment assistance through the Fuel Assistance Programs administered by the Community Action Agencies will not be eligible to select the renewable default energy service rate due to the limited amount of funding available to meet customers in need of assistance. PSNH also stated that customers who receive energy service from a competitive energy supplier would be ineligible to elect the renewable default energy service rate because renewable energy service can be arranged through their competitive electric supplier.

The filing raises, inter alia, issues related to whether PSNH's proposed renewable default service rate option complies with RSA 374-F:3, V(f); whether the proposed calculation of a renewable default service rate is just and reasonable as required by RSA 378:7; whether the

proposal for reconciling the rate in the default energy service rate is just and reasonable; and whether the proposal is consistent with the electric utility restructuring principles in RSA 374-F:3. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that PSNH's tariff establishing a renewable default service rate is hereby SUSPENDED; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 26, 2009 at 10:00 a.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. Admin. Rule Puc 203.15 shall be considered; 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 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 October 15, 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 October 26, 2009; and it is

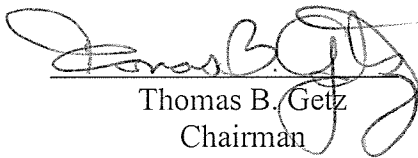
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to PSNH and the Office of the Consumer Advocate on or before October 22, 2009, such Petition stating the facts demonstrating how its rights, duties, privileges,

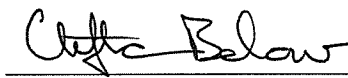
immunities or other substantial interest may be affected by the proceeding, as required by N.H.

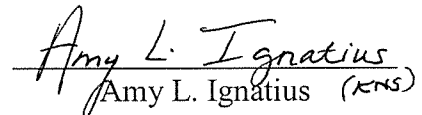
Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said
Objection on or before October 26, 2009.


By order of the Public Utilities Commission of New Hampshire this ninth day of
October, 2009.


Thomas B. Getz
Chairman


Clifton C. Below
Commissioner


Amy L. Ignatius (KNS)
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.

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PO BOX 330
MANCHESTER NH 03105-0330

Docket #: 09-186 Printed: October 09, 2009

FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),

WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:

DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429

PURSUANT TO N.H. ADMIN RULE 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

AMANDA NOONAN
CONSUMER AFFAIRS DIRECTOR
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429