

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

DE 10-160

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Investigation into Effect of Customer Migration on Energy Service Rates

ORDER OF NOTICE

On May 4, 2010, Public Service Company of New Hampshire (PSNH) filed a petition in Docket No. DE 09-180 requesting an adjustment to its energy service rates effective with service rendered on and after July 1, 2010. According to PSNH, in an earlier portion of this proceeding it was shown that as customers migrated to third party supply during a time when the marginal cost to serve is lower than the average cost to serve, the energy service rate for the remaining energy service customers increased. To address this problem, PSNH in its May 4 filing stated its belief that a portion of the energy service costs should be removed from energy service rates and recovered through a non-bypassable rate charged to all customers.

The May 28, 2010 Order of Notice in Docket No. DE 09-180 stated that the Commission would be opening a separate proceeding to consider the issue of customer migration on energy service rates for customers, principally residential and small and commercial and industrial customers, remaining on PSNH default service. In addition, in Order No. 25,061 (December 31, 2009) in DE 09-180, the Commission stated its intention to explore the interplay of customer choice and migration issues with power procurement options for PSNH including current practices, competitive procurement through Requests for Proposals (RFPs), purchasing through the spot market or other market based options. This order of notice opens a proceeding to

investigate the issues related to PSNH's customer migration and PSNH's practices for procuring power not supplied by its owned generation.

The filing raises, inter alia, issues related to whether PSNH's suggested creation of a non-bypassable mechanism to bill a portion of energy service charges to all customers is permitted pursuant to New Hampshire law and is a reasonable way to address the cost impacts of customer migration on non-migrating energy service customers; what other potential methods exist to address those cost impacts including, but not limited to, the targeted use of technology-based initiatives and/or targeted rate mechanisms ; the interplay of PSNH's current supplemental power purchase practices with customer migration; whether alternative procurement strategies should be implemented; and the appropriate scope of the proceeding. 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 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 June 28, 2010 at 1:30 p.m., at which i) each party will provide a preliminary statement of its position with regard to the petition and the appropriate scope of the proceeding and ii) 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 June 16, 2010, 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 June 28, 2010; 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 23, 2010, 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 June 28, 2010.

By order of the Public Utilities Commission of New Hampshire this eleventh day of June, 2010.



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.