

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Public Service Company of New Hampshire
Default Energy Service Rate for 2011

Docket No. DE 10-257

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE'S
MOTION FOR PROTECTIVE ORDER RE: SUPPLEMENTAL POWER SUPPLY
AND FUEL SUPPLY INFORMATION

Pursuant to RSA 91-A:5, IV and N.H. Code Admin. Rules Puc § 203.08, Public Service Company of New Hampshire ("PSNH" or the "Company") hereby requests protective treatment for the attachments to the responses to two data requests propounded by the Staff. The attachments contains details of the fuel supply data for PSNH's generating stations and the supplemental power purchase contracts entered into by PSNH for calendar year 2011. PSNH asserts that this information is confidential commercial information potentially eligible for protection from public disclosure under RSA 91-A:5, IV. In support of its Motion for Protective Order, PSNH says the following:

1. The data requests are as follows:

NSTF-01 Q- STAFF-006

Question:

Please provide the following information in the same format as the response to NSTF-01, Q-STAFF-005 in DE 09-180.

- a. Please provide information supporting the price assumptions used for coal, wood, oil and gas prices for the twelve-month ES period.

NSTF-01 Q- STAFF-011

Question:

Reference Attachment RAB-2, page 3, lines 24-25. For the known purchases, please provide a list of the contracts including the dates they were executed, the duration of the contracts, the contracting party, the quantity purchased and the purchase prices. Please also describe any financial assurances required in the contracts.

The attachments to the confidential portions of the response to Staff No. 6 contain prices for fuel to be used in 2011, how much fuel is under contract. The attachments to the response to Staff No. 11 contain supplemental power supply information including the contracting party, date of execution, duration, quantity and price of power secured through bilateral purchases that have been entered into for the upcoming Default Energy Service rate period. PSNH must also disclose any financial assurances required in the contracts.

2. Before granting confidential treatment, the Commission must use a balancing test in order to weigh the importance of keeping open the record of this proceeding with the harm from disclosure of confidential financial or competitive information. “Under administrative rule Puc § 204.06 [predecessor to Puc § 203.08], the Commission considers whether the information, if made public, would likely create a competitive disadvantage for the petitioner; whether the customer information is financially or commercially sensitive, or if released, would likely constitute an invasion of privacy for the customer; and whether the information is not general public knowledge and the company takes measures to prevent its’ dissemination.” *Re Northern Utilities, Inc.*, 87 NH PUC 321, 322, Docket No. DG 01-182, Order No. 23,970 (May 10, 2002).

3. The limited benefits of disclosing the information outweigh the harm done by disclosing the information and the potential harm to the other contracting parties from disclosure. Pricing terms with power suppliers and fuel suppliers have traditionally been kept confidential. *See, Re EnergyNorth Natural Gas, Inc. dba KeySpan Energy Delivery New England*, Docket No. DG 03-068, Order No. 24,167, 88 NH PUC 221 , 226 (2003).

4. Release of this information would put PSNH at a disadvantage with respect to negotiations in the future with suppliers of supplemental power. Traditionally these purchased power contracts and purchase power agreements have been kept confidential to protect both parties. Power supply contracts which also include the sale of renewable energy certificates have been approved by the Commission with the specific pricing terms being afforded confidential treatment.

See, Lempster Wind, LLC (Docket No. DE 08-077), Pinetree Power, Inc. and Pinetree Power-Tamworth Inc. (Docket No. DE 07-125). Fewer suppliers may want to negotiate future supply contracts if they assume that the information in the final contract will be made public. Fewer suppliers means a less competitive arena in which PSNH supplemental power supplies. A similar motion was granted in the previous Default Energy Service rate setting docket. Docket No. DE 09-180, Order No. 25,061, slip op. at 27 (December 31, 2009).¹

WHEREFORE PSNH respectfully requests the Commission to issue an order preventing the public disclosure of the attachments to the responses to NSTF-01, Q-STAFF-006 and NSTF-01, Q-STAFF-011 and to order such further relief as may be just and equitable.

Respectfully submitted,

Public Service Company of New Hampshire

November 4 2010

Date

By: Gerald M. Eaton

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¹ "The Company states in its two motions, the disclosure of this information would allow competitors to see the costs of PSNH supplemental power purchases, coal purchases and REC purchases. The disclosure of this information could negatively impact the ability of PSNH to secure fuel, supplemental power supply and RECs at competitive prices. Based upon these facts, we find that the interest in public disclosure of such financial, commercially sensitive information is outweighed by the benefit derived from maintaining the confidentiality of such information, given that confidentiality helps produce lower rates. See *Union Leader Corp. v. New Hampshire Housing Fin. Auth.*, 142 N.H. 540 (1997) (requiring application of balancing test to RSA 91-A:5, IV determinations, weighing the public interest in disclosure against privacy interest)." Docket No. DE 09-180, Order No. 25,061, slip op. at 27 (December 31, 2009).

CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached Motion for Protective Order to be served pursuant to N.H. Code Admin. Rule Puc §203.11.

November 7, 2010

Date

Gerald M. Eaton

Gerald M. Eaton

Witness: Frederick White
Request from: New Hampshire Public Utilities Commission Staff

Question:

Please provide the following information in the same format as the response to NSTF-01, Q-STAFF-005 in DE 09-180.

- a. Please provide information supporting the price assumptions used for coal, wood, oil and gas prices for the twelve-month ES period.
- b. Please provide information detailing how much of PSNH's needed fuel supply is under contract for the upcoming twelve-month ES period and how much will be subject to purchases at the then-current market price. Please discuss each fuel separately.
- c. For what periods of time are the fuel supplies for each of the fossil plants under contract?
- d. Please provide the information used by PSNH in determining the forecast of peak and off-peak energy prices.
- e. Please provide an analysis of the major components of the preliminary increase in the ES rate. Please quantify each of the components in terms of cents per kWh

Response:

- a. Please see the attached table; Staff-01, Q-Staff-6a, Page 3 of 4.xls.
- b. All of PSNH's coal supply required for the subject period is under contract. Sufficient residual oil is in inventory to meet Newington Station's projected capacity factor. Natural gas will be purchased as needed at prevailing market prices if more competitively-priced than residual oil to fuel Newington Station.
- c. All of Merrimack and Schiller Stations' coal supply is under contract through calendar year 2011, and approximately 80% of supply is under contract through 2012. Spot market purchases will be made as necessary in support of Newington Station operation.

d. The following table provides the monthly forward market peak and off-peak prices used to develop the hourly ISO-NE spot market price forecasted. These are based on closing NYMEX electricity prices for New England. Since October through December prices are quoted as one price for the three months, PSNH has differentiated the months based on the monthly gas prices shown in part a.

ISO-NE Forward Market Energy - \$/MWh

<u>2011</u>	<u>Peak</u>	<u>Off-Peak</u>
Jan	55.70	45.73
Feb	55.70	45.73
Mar	49.50	37.73
Apr	45.50	37.73
May	46.68	36.63
Jun	48.08	36.77
Jul	56.98	40.20
Aug	56.98	40.20
Sep	48.00	37.23
Oct	46.50	37.08
Nov	49.28	39.30
Dec	54.73	43.65

e. The attached table, Staff-01,Q-Staff-06e, Page 4 of 4.xls; compares the average cost of providing energy service during January through December 2010 with the average cost reflected in the preliminary 2011 ES rate calculation. The 2010 summary is a blend of actual data for January through August and the revised forecast data for September through December provided in the September 21, 2010 filing in Docket DE 09-180.

The table includes the following 5 columns:

(a) Total Cost - This is the cost (\$000) for the expense category taken from the applicable filing.

(b) MWH (sales) - This is the volume of customer sales for which the expense category is applicable. This number is used as the denominator in column (c) to develop an average rate. For the variable charge categories (Fossil energy, Vermont Yankee, IPPs, and Purchases & Sales) the value represents the net output of the applicable resource(s), after accounting for delivery efficiency. For the remaining fixed charge categories (e.g. F/H O&M, Depr. & Taxes and Return on rate base) the value is the total customer sales during the period.

(c) ¢/kwh - This is the average cost of the category [column (a) divided by column (b)].

(d) % of ES - For the variable charge categories only, this value is the portion of the total sales provided by the applicable resource(s). This percentage is used to calculate the "Average Cost of Fossil Fuel, Vermont Yankee, IPPs and Purchases".

(e) Inc / (Dec) - This is the increase or (decrease) from the 2010 average expense to the 2011 average expense.

** A Motion for Protective Order will be filed requesting that the information in the response to part (a) above be kept confidential.

	(a)	(b)	(c)	(d)	(e)
Summary of Actual and Forecasted Energy Service Cost For January 2010 Through December 2010	TOTAL COST	MWH (sales)	c/kwh	% of ES	
Fossil energy costs	175,892	3,979,631	4.42	73%	
F/H O&M, depreciation & taxes	132,404	5,481,165	2.42		
Return on rate base	41,129	5,481,165	0.75		
ISO-NE ancillary	1,542	5,481,165	0.03		
Capacity	14,179	5,481,165	0.26		
NH RPS	9,256	5,481,165	0.17		
RGGI costs	5,339	5,481,165	0.10		
Vermont Yankee	6,990	149,973	4.66	3%	
IPP costs (1)	26,973	488,133	5.53	9%	
Purchases and sales	81,281	863,429	9.41	16%	
Return on ES Deferral	358	5,481,165	0.01		
Merrimack projected O&M insurance proceeds	(6,500)	5,481,165	(0.12)		
Merrimack projected RPC insurance proceeds	(8,700)	5,481,165	(0.16)		
2009 Actual ES under/(over) recovery	4,442	5,481,165	0.08		
Total Updated Energy Service Cost	484,585	5,481,165	8.84		
Total Updated Revenue	486,067				
Energy Service (Over)/Under Recovery	(1,482)				
 Average Cost of Fossil Fuel, Vermont Yankee, IPPs and Purchases			5.31		
Average Cost of Other Charges			3.45		
Impact of 2009 Over-Recovery			0.08		
Total Average Cost (cent/kwh)			8.84		

Summary of Forecasted Energy Service Cost For January 2011 Through December 2011	TOTAL COST	MWH (sales)	c/kwh	% of ES	Inc / (Dec)
Fossil energy costs	145,689	3,889,860	3.75	72%	(0.67)
F/H O&M, depreciation & taxes	152,339	5,389,252	2.83		0.41
Return on rate base	43,187	5,389,252	0.80		0.05
ISO-NE ancillary	6,624	5,389,252	0.12		0.09
Capacity	13,806	5,389,252	0.26		(0.00)
NH RPS	10,808	5,389,252	0.20		0.03
RGGI costs	3,707	5,389,252	0.07		(0.03)
Vermont Yankee	7,602	159,133	4.78	3%	0.12
IPP costs (1)	28,836	562,839	5.12	10%	(0.40)
Purchases and sales	56,830	777,420	7.31	14%	(2.10)
Return on ES Deferral	(44)	5,389,252	(0.00)		(0.01)
Merrimack projected O&M insurance proceeds	0	5,389,252	0.00		0.12
Merrimack projected RPC insurance proceeds	0	5,389,252	0.00		0.16
2010 ES Over/Under Recovery	(1,482)	5,389,252	(0.03)		(0.11)
Total Forecasted Energy Service Cost	467,902	5,389,252	8.68		(0.16)
 Average Cost of Fossil Fuel, Vermont Yankee, IPPs and Purchases			4.43		(0.88)
Average Cost of Other Charges			4.28		0.83
Impact of 2010 Over-Recovery			(0.03)		(0.11)
Total Average Cost (cent/kwh)			8.68		(0.16)

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Docket No. DE 10-257

Data Request STAFF-01
Dated: 10/21/2010
Q-STAFF-011
Page 1 of 2

Witness: Frederick White
Request from: New Hampshire Public Utilities Commission Staff

Question:

Reference Attachment RAB-2, page 3, lines 24-25. For the known purchases, please provide a list of the contracts including the dates they were executed, the duration of the contracts, the contracting party, the quantity purchased and the purchase prices. Please also describe any financial assurances required in the contracts.

Response:

Please see attached table; Staff-01, Q-Staff-11, Page 2 of 2.xls:

****A Motion for Protective Order will be filed requesting that the information in the attachment be kept confidential.**