

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

**DE 10-257**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

**Petition to Set 2011 Energy Service Rate**

**ORDER OF NOTICE**

On September 22, 2010, Public Service Company of New Hampshire (PSNH) filed a petition to establish its default energy service rate for effect with service rendered on and after January 1, 2011. Pursuant to RSA 369-B:3, IV(b)(1)(A), customers who take energy service from PSNH will be billed at a rate equal to PSNH's actual, prudent and reasonable costs of providing the power, as approved by the Commission. With its petition, PSNH filed the supporting testimony of Robert A. Baumann with related exhibits and schedules.

According to PSNH, the major cost categories in the energy service filing are the revenue requirements for owned generation assets and the costs of purchased power obligations. In addition, PSNH's energy service costs include the fuel costs associated with its generation assets, the costs from supplemental energy and capacity purchases, certain ISO-New England ancillary service charges and the cost of compliance with New Hampshire's Renewable Portfolio Standard and the Regional Greenhouse Gas Initiative. PSNH states that the generation revenue requirements include non-fuel costs of generation, including non-fuel operation and maintenance costs, allocated administrative and general costs, depreciation, property taxes, payroll taxes, and a return on the net investment in its fossil and hydroelectric generating plants.

In its filing, PSNH provided its preliminary calculation of an energy service rate of \$0.0868 per kilowatt hour (kWh) for effect beginning January 1, 2010. PSNH stated that the preliminary rate was calculated using the latest available information and would represent a

decrease of \$0.0010 per kWh from the current energy service rate of \$0.0878 per kWh. PSNH said that as with prior energy service rate filings, it would update the calculation of the energy service rate prior to the hearing in this docket.

As a result of electric industry restructuring, retail electric service customers, including PSNH's customers, may choose to receive electric generation service from competitive electric service providers. In its filing, PSNH used the rate of customer migration to competitive supply as of August 30, 2010, which was approximately 30.7 percent. Consistent with Order No. 25,061 in Docket No. DE 09-180, PSNH's 2010 energy service rate docket, PSNH stated that it also forecasted two alternate energy service migration scenarios, using the actual historic trend of the last eight months to develop high and low migration scenarios. According to PSNH, these calculations result in high migration level of 33.1 percent with a corresponding energy service rate of \$0.0877 per kWh, and a low migration rate of 28.3 percent with a corresponding energy service rate of \$0.0860 per kWh. PSNH stated that it has not presumed that customers will migrate to competitive supply more or less than what is currently being experienced. PSNH noted that the Company's customer migration is the subject of Docket No. DE 10-160, another proceeding pending before the Commission.

This order and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docket/2010/10-257.htm>.

The filing raises, inter alia, issues related to whether the energy service rate is based on PSNH's actual, prudent and reasonable costs of providing such service consistent with RSA 369-B:3, V(b)(1)(A), whether the costs associated with RPS and RGGI compliance are reasonable and should be included in rates 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 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 21, 2010 at 11:00 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

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**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 7, 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 October 21, 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 October 18, 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 October 21, 2010.

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

