

THE STATE OF NEW HAMPSHIRE

BEFORE THE

PUBLIC UTILITIES COMMISSION

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PETITION FOR APPROVAL OF AN ALTERNATIVE DEFAULT ENERGY
SERVICE RATE ADE**

Docket No. DE 11-XXX

Pursuant to Puc § 202.01(a) and Puc §203.06, Public Service Company of New Hampshire (“PSNH” or “the Company”) hereby petitions the New Hampshire Public Utilities Commission (“Commission”) for a proceeding to establish an Alternative Default Energy Service Rate for effect on January 1, 2012. In support of its Petition, PSNH says the following:

1. This filing is made in compliance with a directive in Order No. 25,256 in Docket No. DE 10-160 (July 26, 2011). In that order, PSNH was directed “to develop and file a specific tariff proposal. . . to address the current circumstance, when the default ES rate is greater than the market rate, by offering a rate that exceeds its marginal cost of default service, but is less than the average cost.” Order No. 25,256 at 33. The instant proposal calls for the design of a rate which reflects the current circumstances of PSNH’s average cost Rate DE exceeds its marginal cost; however, Mr. Hall’s testimony also describes how the Rate ADE would be computed when marginal costs exceed PSNH’s Default Energy Service Rate DE.

2. The rate is based upon PSNH’s actual costs. RSA 369-B:3, IV (1)(A). The charge will be based upon forward market prices (PSNH’s marginal cost) for power necessary to serve additional customers returning to PSNH’s default energy supply plus an adder based upon the non-operating costs of the newly installed wet flue gas fluidized desulfurization system, the cost of which is required to be collected through default energy service. RSA 125-O:18.

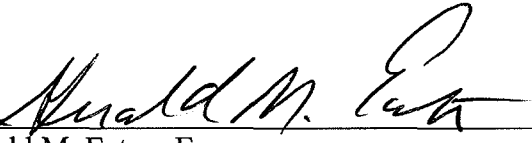
3. In its Order No. 25,256, the Commission directed the Company to file proposed tariffs, . . . in conjunction with its 2012 default service filing, expected by late September 2011.” *Id.* In separate filings today, PSNH is proposing a new Default Energy Service Rate DE and Stranded Cost Recovery Charge for effect on January 1, 2012. PSNH recommends that a procedural schedule be adopted that provides for an order establishing a rate in December for effect on January 1, 2012. PSNH recommends that a separate proceeding be established for determining the level of Rate ADE, rather than combining it into the proceeding for determining Rate DE.

4. Customers who have already migrated need information on rate level in order to make decisions on energy service and budgeting for the following year as early as possible. If the rate were approved in October for the following year, customers will have the information that they need in a timely manner and will be able to make informed decisions about their source of energy supply for the prospective calendar year. If the Commission accepts PSNH’s proposal for Rate ADE, PSNH would make its annual filing for a new rate some time in August or early September, thus providing sufficient time to receive an order by early October.

5. PSNH is not requesting approval of a specific rate at this time, but the Company will update its filing and provide a revised rate based upon the most recent data before a hearing on the merits is held. Attached to this petition is the Direct Testimony of Stephen R. Hall further explaining PSNH’s proposed Rate ADE along with illustrative tariff pages.

WHEREFORE, PSNH respectfully requests that the Commission open a proceeding, provide for an order of notice, schedule a procedural hearing where the conduct of this proceeding may be established and intervention requests ruled, and order such further relief as may be just and equitable.

Respectfully submitted this twenty-third day of September, 2011.
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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Certificate of Service

I hereby certify that copies of the attached Petition have been served this day upon persons on the attached Service List pursuant to the requirements of Rules Puc §203.02 and §203.11.


Gerald M. Eaton