

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

DE 11-216

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Petition for Alternative Default Energy Service Rate

ORDER OF NOTICE

On September 23, 2011, Public Service Company of New Hampshire (PSNH) filed a petition for approval of an alternative default energy service Rate (ADE). In support of its petition, PSNH filed the testimony of Stephen R. Hall with attachments consisting of illustrative tariff pages. In its petition, PSNH recommended that the rate be effective on January 1, 2012.

PSNH made the filing pursuant to Commission Order No. 25,256 (July 26, 2011) in Docket No. DE 10-160, *Investigation of the Effects of Customer Migration*. 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.

According to the petition, Rate ADE will be based on PSNH’s actual costs, consistent with RSA 369-B:3,IV(1)(A). The rate will be based on 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 on the non-operating costs of the newly installed wet flue gas fluidized desulfurization system.

PSNH stated that Rate ADE will be applicable to customers who take delivery service from PSNH under Primary General Service Rate GV, Large General Service Rate LG, or Backup Service Rate B, the rate classes for PSNH’s largest customers, who return to PSNH energy

service after taking service from one or more competitive suppliers for at least twelve consecutive months. PSNH designed the rate such that once a customer terminates service from a competitive supplier following at least twelve consecutive months of taking competitive supply, that customer must take energy service from PSNH during any of the next twenty-four months under Rate ADE. Because the default energy service (Rate DE) will not be available to customers during the twenty-four month period, PSNH also proposes to change the availability section of Rate DE to clarify that it is not available to customers who are required to take service under Rate ADE.

PSNH explained that it was not proposing a price for Rate ADE at this time as the scrubber was not yet providing service to customers. PSNH stated that it intends to update its proposal just prior to the hearing to be held in the docket when it has more information regarding the in-service date and costs of the scrubber. At that time, PSNH said that it will be able to determine a proposed rate level and effective date for Rate ADE.

The petition 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/2011/11-216.htm>.

The filing raises, *inter alia*, issues related to whether the marginal cost of energy service in the ADE rate is based on PSNH's actual, prudent and reasonable costs of providing such service consistent with RSA 369-B:3, IV(b)(1)(A), and is just and reasonable as required by RSA 378:7, and whether the proposed Rate ADE complies with Order No. 25,256, and the appropriate manner to consider the recovery of the prudent costs of complying with the requirements of RSA 125-O:11 et seq. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 17, 2011 at 2:00 p.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. Code Admin. Rules Puc 203.15 shall be considered; and it is

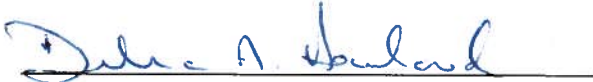
FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Code 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 10, 2011, 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 17, 2011; and it is

FURTHER ORDERED, that pursuant to N.H. Code 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 14, 2011, 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. Code 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 PSNH.

By order of the Public Utilities Commission of New Hampshire this fifth day of October,
2011.

A handwritten signature in blue ink, appearing to read "Debra A. Howland", is written over a horizontal line.

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.