



**Public Service
of New Hampshire**

A Northeast Utilities Company

PSNH Energy Park
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Public Service Company of New Hampshire
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Matthew J. Fossum
Counsel

May 24, 2013

Debra A. Howland
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



Re: **DE 13-127**
**Petition for Step Adjustment for Changes to Net Plant, Reliability
Enhancement program, Major Storm Cost Reserve, and Marketing
And Consultant Costs**

Dear Ms. Howland:

As directed by the Commission's Order *Nisi* dated May 14, 2013 Public Service Company of New Hampshire has caused to be published a legal notice relative to the above-captioned docket. The legal notice appeared in The Union Leader on May 20, 2013.

Enclosed is the required affidavit of publication with a copy of the legal notice attached.

Very truly yours,

Matthew J. Fossum
Counsel

MJF:acm
Enclosure

UNION LEADER CORPORATION

P O BOX 9513
MANCHESTER, NH 03108

0000057491
PSNH - LEGALS
ATTN: ANNETTE MAYO
PO BOX 330
MANCHESTER NH 03105

I hereby certify that the legal notice: (0000679370) PUB UTILITIES - DE13-127
was published in the New Hampshire Union Leader
printed at Manchester, NH by the Union Leader Corp.
On:
05/20/2013.

State of New Hampshire
Hillsborough County

Subscribed and sworn to before me this

20 day of May 2013

Phyllis E. Manning

Notary Public



001507010

OUT

10/10/13

Legal Notice

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
DE 13-127
PUBLIC SERVICE COMPANY
OF NEW HAMPSHIRE
Petition for Step Adjustment for Changes

to Net Plant, Reliability Enhancement Program, Major Storm Cost Reserve, and Marketing and Consultant Costs

ORDER OF NOTICE

On April 30, 2013, Public Service Company of New Hampshire (PSNH) filed a petition for a step adjustment to its distribution rates pursuant to a Settlement Agreement approved by the Commission in Order No. 25,123 (June 28, 2010) in Docket DE 09-035. PSNH's most recent distribution rate case. PSNH filed a supporting technical statement and related schedules with its petition. PSNH seeks approval of the step adjustment to be effective with service rendered on and after July 1, 2013.

The Settlement Agreement provided for a series of step adjustments to PSNH's distribution rates on July 1 for the years 2011, 2012 and 2013. The Commission approved the 2011 step adjustment on June 24, 2011 in Order Nisi No. 25,240 (June 24, 2011) in Docket DE 11-095, and the 2012 step adjustment in Order No. 25,382 (June 27, 2012) in Docket DE 12-110. PSNH now seeks the final step adjustment. Section 2 of the Settlement Agreement sets forth the elements of the step adjustment, including a projected step increase for effect on July 1, 2013 to recover the revenue requirements associated with 80% of changes to PSNH's non-reliability enhancement program (non-REP) net plant balances for the period April 1, 2012 through March 31, 2013, with a revenue requirement of \$9.5 million associated with a then-budgeted change in net plant of \$76.5 million. The actual change in non-REP net plant for the year ending March 31, 2013 was \$49 million, resulting in an associated revenue requirement of \$6.1 million. PSNH requested that \$6.1 million be added to distribution rates for recovery on a service rendered basis as of July 1, 2013.

PSNH's petition also requests that the Commission approve four additional dis-

tribution rate changes for effect July 1, 2013. First, PSNH requested an annual revenue increase of \$5 million to its Major Storm Cost Reserve (MSCR) for total annual funding of \$12 million. PSNH stated that the increase was necessary to begin recovery of costs associated with pre-staging events that occurred between December 2012 and March 2013, and to more adequately provide for the recovery of costs associated with major storms that occurred in 2011, 2012 and 2013. PSNH said that the Commission approved PSNH's recovery of pre-staging costs associated through the MSCR in Order No. 25,465 (February 26, 2013) in Docket DE 12-320. PSNH stated that all costs incurred in connection with major storms would be subject to audit and any resulting adjustments recommended by the Commission Staff. PSNH also noted that the Commission allowed PSNH to increase the annual revenue to the MSCR in the 2012 step increase (Order No. 25,382).

The second change relates to additions of REP-related plant. Pursuant to sections 2.6 and 5.1 of the Settlement Agreement, PSNH is permitted to increase its distribution rates by \$1.6 million effective July 1, 2013 to reflect changes in its net plant, and requests that the Commission approve a \$1.6 million increase in distribution rates.

The third change requested by PSNH relates to the marketing of the Renewable Default Energy Service (RDES) rate. PSNH recovers the costs of marketing the RDES option through its distribution rates. PSNH has proposed to discontinue offering the RDES program in Docket DE 12-358 and if the Commission approves its proposal, PSNH said it will remove \$72,000 in costs from distribution rates.

Finally, PSNH stated that section 8.1 of the Settlement Agreement, which required PSNH to retain an independent consultant to review and analyze trends in the Company's uncollectible expense, also permitted PSNH to recover the cost of the study over a 12-month period by including the costs in one of the step adjustments. PSNH began recovering those costs (\$73,000) through the 2012 step adjustment and now proposes to remove the consultant costs from distribution rates. The petition and subsequent docket filings, other than information for which confidential treatment is requested or granted by the Commission, will be posted to the Commission's website at

<http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-127.html>.

In addition to the step adjustment, PSNH proposes for effect July 1, 2013 a mid-term adjustment to its stranded cost recovery charge (Docket DE 12-291) and energy service charge (DE 12-292), and a change to its Transmission Cost Adjustment Mechanism (TCAM) (no filing as yet). The hearing in Docket DE 12-292 is scheduled for 10:00 on June 19, 2013. The hearing in DE 12-291 is scheduled for 9:00 a.m. on June 20, 2013 followed by the hearing in PSNH's TCAM docket. The hearing in the instant docket is scheduled for June 20, 2013 at 11:00 a.m.

The filing raises, *inter alia*, issues related to whether the filing complies with the Settlement Agreement approved in Docket No. DE 09-035 and whether the incurred costs were prudently incurred; whether the proposed increase to the Major Storm Cost Reserve is reasonable and in the public interest; and whether resulting rates are just and reasonable pursuant to RSA 378:5 and 8. 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 Hearing, 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 June 20, 2013 at 11:00 a.m.; 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 May 23, 2013, 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 17, 2013; 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 June 17, 2013, 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:32,1(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before June 20, 2013.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of May, 2013.

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.
(UL - May 20)