

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

DE 10-121

ORDER OF NOTICE

On April 30, 2010, Public Service Company of New Hampshire (PSNH) filed testimony and schedules in support of its proposed reconciliation of revenues and costs associated with its energy service charge and stranded cost recovery charge (SCRC) for calendar year 2009. The Commission approved the relevant stranded cost recovery mechanism, which is set forth in the Agreement to Settle PSNH Restructuring in Docket No. DE 09-099 (Restructuring Agreement). *See, PSNH Proposed Restructuring Settlement*, 85 NH PUC 1154, 85 NH PUC 536 and 85 NH PUC 645 (2000). Through January 31, 2006, the reconciliation of PSNH's energy service and revenues was included as a subset of the SCRC reconciliation, with the difference between energy service costs and revenues included as an adjustment to PSNH's Part 3 stranded costs. Beginning February 1, 2006, the energy service reconciliation amounts are no longer applied to stranded costs, but rather are applied to future energy service rates as directed by the Commission in Order No. 24,579 (January 20, 2006) 91 NH PUC 17.

The filing covers 1) the reconciliation between the revenues and expenses included in the SCRC and energy service charges, 2) the performance of PSNH's fossil and hydro generation facilities and 3) how PSNH met its energy and capacity requirements during calendar year 2009.

According to the petition, PSNH experienced a net under-recovery of \$4.4 million for its energy service costs. The \$4.4 million under-recovery was attributed primarily to increased customer migration to competitive energy suppliers from the level assumed in PSNH's 2009 mid-year adjustment of the energy service rate.

Regarding the reconciliation of the SCRC, PSNH said there was a net-under recovery of \$3.9 million for SCRC costs for the reporting period. According to the petition, the net under-recovery of the SCRC was primarily due to higher above-market independent power producer (IPP) costs.

The filing raises, inter alia, issues related to issues related to the prudence of generation outages that are reflected in PSNH's energy service costs for the period; the prudence of PSNH's use of its generation resources during the period as well as the prudence of market purchases used to supplement those resources; the prudence and reasonableness of PSNH's incurred capital costs; and the question of whether PSNH has otherwise appropriately accounted for and reconciled its energy service and stranded costs and any offsetting revenues for the period in accordance with the Restructuring Agreement and applicable law. 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 June 28, 2010 at 10:00 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

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

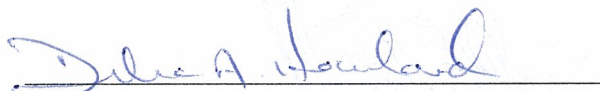
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice

no later than June 9, 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 June 28, 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 June 23, 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 June 28, 2010.

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