

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

DE 10-256

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Request to Adjust Stranded Cost Recovery Charge

ORDER OF NOTICE

On May 4, 2011, Public Service Company of New Hampshire (PSNH) filed a request, with supporting testimony and schedules, to make a mid-term adjustment to its Stranded Cost Recovery Charge (SCRC) rate on a service-rendered basis effective July 1, 2011. The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH's Restructuring in Docket No. DE 99-099 (Restructuring Agreement). PSNH requested approval of the adjustment by June 28, 2011 to allow sufficient time to test its billing system for this change and all other rate changes scheduled for July 1, 2011.

The Restructuring Agreement defined PSNH's stranded costs and categorized them into three different parts (Part 1, Part 2 and Part 3), all of which are recovered through the SCRC rate. Part 1 SCRC is calculated to recover the principal, net interest and fees associated with rate reduction bonds. Part 2 costs are "ongoing" stranded costs consisting primarily of the over-market value of energy purchased from independent power producers (IPPs) and the amortization of payments previously made for IPP buy-downs and buy-outs approved by the Commission. Part 3 costs, which are primarily the amortization of non-securitized stranded costs, were fully recovered in June 2006.

The Commission approved the current average SCRC rate of 1.17 cents per kilowatt hour (kWh) by Order No. 25,188 (December 29, 2010) entered in the instant docket. In the current

filing, PSNH projects a decrease in the average SCRC rate to 1.10 cents per kWh. PSNH stated that the primary reason for the recommended decrease is higher market prices which, in turn, decreased the over-market portion of purchases from the IPPs included in the SCRC rate. PSNH said that prior to the hearing it will file updated projections of costs and actual experience through May 2011.

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/Docketbk/2010/10-256.html>.

The filing raises, inter alia, issues related to whether PSNH's calculation and estimates of costs and revenues are reasonable 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 the party at the party's own expense.

In addition to the proposed adjustment to the SCRC, PSNH made the following filings which also have rate adjustments proposed for July 1, 2011: a mid-term adjustment to its energy service rate in Docket No. DE 10-257, and a request for rate recovery of February 2010 wind storm expenses in Docket No. DE 11-082. In June, PSNH is expected to make its Transmission Charge Adjustment Mechanism filing which also will have rate impacts effective July 1, 2011. The hearings on these matters are scheduled for June 23, 2011 in the following order: SCRC (DE 10-256); energy service (DE 10-257); Transmission Charge Adjustment Mechanism (no docket number assigned as yet) and rate recovery of wind storm expenses (DE 11-082).

Based upon the foregoing, it is hereby

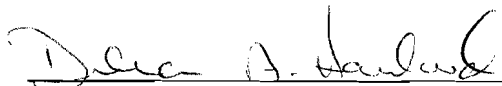
ORDERED, that a Hearing, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 23, 2011 at 10:00 a.m.; and it is

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 19, 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 June 23, 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 June 20, 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 June 23, 2011.

By order of the Public Utilities Commission of New Hampshire this tenth day of May, 2011.



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.