

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

**DE 11-094**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

**Reconciliation of 2010 Energy Service and Stranded Cost Recovery Charges**

**ORDER OF NOTICE**

On May 2, 2011, Public Service Company of New Hampshire (PSNH) 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 2010. 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 154, 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 2010.

According to the petition, PSNH experienced a net under-recovery of \$10.4 million. PSNH said that over \$3 million of the under-recovery is due to the timing of receipt of insurance proceeds for replacement power costs associated with its Merrimack Station generating plant. The remaining under-recovery is primarily due to higher operations and maintenance overheads, return on rate base and changes in revenue levels compared to the levels contained in the forecast used to support the July 1, 2010 energy service rate.

For the SCRC, the net balance as of December 31, 2010 is an over-recovery of \$2.4 million. PSNH said that the \$2.4 million net over-recovery was primarily due to higher actual sales than forecasted and a \$0.8 million decrease in the Yankee nuclear plant contract obligations.

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/2011/11-094.html>

The filing raises, inter alia, 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 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 June 9, 2011 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. 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 May 26, 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 9, 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 6, 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 9, 2011.

By order of the Public Utilities Commission of New Hampshire this twentieth day of

May, 2011.

A handwritten signature in cursive script, appearing to read "Debra A. Howland", is written over a solid 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.