



**Public Service
of New Hampshire**

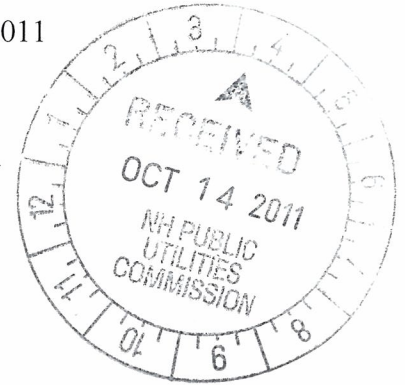
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The Northeast Utilities System

October 14, 2011

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: Alternative Default Energy Service Rate – Docket No. DE 11-216

Dear Ms. Howland:

Enclosed please find the original and six copies of the Supplemental Direct Testimony of Stephen R. Hall and Frederick White with attachments in the above captioned proceeding. On September 23, 2011, Public Service Company of New Hampshire ("PSNH" or "the Company") filed a petition requesting approval of Alternative Default Energy Service Rate ADE along with the Direct Testimony and exhibits from Messrs. Hall and White. That testimony explained that an initial proposed rate could not be computed until the wet flue gas desulfurization system (scrubber) at Merrimack Station had been placed into service. The scrubber has been placed into service effective September 28, 2011. In a contemporaneous filing with the Commission today, PSNH is filing the Joint Testimony of Robert A. Baumann and William H. Smagula in which they explain the startup of the scrubber and the declaration of the project as in service.

PSNH has included the non-operating costs of the scrubber in its initially proposed Rate ADE of 7.86 cents per kilowatt-hour. PSNH is not requesting this rate be approved at this time. PSNH will update the request when more recent data on forward market prices are known closer to the date of the hearing on the merits.

Copies of this filing have been provided to all parties in the Investigation of the Effects of Customer Migration Docket No. DE 10-160.

Very truly yours,

Gerald M. Eaton
Senior Counsel

GME:kd
Enclosures
cc: Service List Docket No. DE 10-160

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Docket #: 11-216-1 Printed: October 14, 2011

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

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EXEC DIRECTOR & SECRETARY
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21 S. FRUIT ST, SUITE 10
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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN - DISCOVERY
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BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

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