

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

**DE 12-292**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

**Request for Interim Adjustment to Default Energy Service Rate**

**ORDER OF NOTICE**

On May 2, 2013, Public Service Company of New Hampshire (PSNH) filed a request with supporting testimony and schedules to adjust its energy service rate effective with service rendered on and after July 1, 2013. The proposed energy service rate does not include costs associated with the wet flue gas desulphurization system (Scrubber) installed at PSNH's Merrimack Station. At the time of the filing, PSNH estimated that the revised non-Scrubber portion of the energy service rate would be 8.00 cents per kilowatt hour (kWh), a decrease from the current non-Scrubber energy service rate of 8.56 cents per kWh. PSNH requested approval of the adjustment by June 27, 2013 to allow sufficient time to test its billing system for this change and all other rate changes proposed for effect on July 1, 2013.

Pursuant to RSA 369-B:3,IV(b)(I)(A), the price for PSNH's energy service shall be PSNH's actual, prudent and reasonable costs of providing the power, as approved by the Commission. Energy service costs include generation asset revenue requirements, entitlements and purchased power obligations, including the fuel used for generation, costs and revenues associated with market purchases and sale; N.H. Renewable Portfolio Standard (RPS) compliance costs (RSA 362-F); Regional Greenhouse Gas Initiative (RGGI) costs (RSA 125-O:19-28); independent power producer (IPP) power valued at market prices; and non-fuel

operation and maintenance costs, property taxes and payroll taxes, depreciation, uncollectible costs attributable to energy service, and a return on net generation investment.

The Commission established the current non-Scrubber energy service rate of 8.56 cents per kWh in Order No. 25,448 (December 28, 2012) in the instant docket. The Commission approved a temporary rate of 0.98 cents per kWh for recovery of costs associated with the Scrubber in Order No. 25,346 (April 10, 2012) in Docket No. 11-250. The temporary Scrubber rate of 0.98 cents per kWh added to the estimated non-Scrubber energy service rate of 8.00 cents per kWh results in a total energy service rate of 8.98 cents per kWh. The estimated rate would be a decrease of 0.56 cents per kWh from the current total energy service rate of 9.54 cents per kWh. PSNH said it would provide an updated estimate shortly before the hearing. According to PSNH, the primary reason for the decrease in energy service rates is a projected over-recovery due to reduced RPS compliance costs for 2012 and 2013 and an expected refund to customers resulting from RGGI auctions in 2013. PSNH said that the total of these lower costs and refunds is partially offset by a reduction in energy service revenues resulting from additional migration above the amount forecasted for 2013. PSNH stated that the level of customer migration used in its filing was 45.6%, the current level at the end of March 2013.

PSNH recalculated the 2012 and 2013 RPS expense following the Commission issuance of Order No. 25,485 (April 4, 2013) in Docket DE 13-021. Order No. 25,485 reduced the RPS requirements for Class III (existing biomass) for 2012 and 2013, and a subset of Class I requirements (useful thermal energy) for 2013. PSNH stated as a result of the Order No. 25,485, its 2012 RPS expense reduced by \$9.299 million, and its 2013 RPS expense was reduced by \$9.005 million. In addition, due to amendments to the RGGI law, default service customers are now entitled to a rebate of any auction revenues in excess of \$1.00 per allowance, and PSNH

estimates its proportional share of the rebate for 2013 to be \$8.818 million. PSNH testified that the Commission addressed the RGGI rebate in Order No. 25,471 (March 8, 2013) in Docket DE 12-362.

The Office of Consumer Advocate previously filed a letter on October 11, 2012 indicating its participation in this docket on behalf of residential ratepayers pursuant to RSA 363:28.

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/2012/12-292.html>.

The filing raises, inter alia, issues related to whether the energy service rate is based on PSNH's actual, prudent and reasonable costs of providing such service consistent with RSA 369-B:3,IV(b)(I)(A); 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 proposes for effect July 1, 2013 a mid-term adjustment to its stranded cost recovery charge rate in Docket No. DE 12-291, a change to its Transmission Cost Adjustment Mechanism (TCAM) (no filing as yet), and a step adjustment to its distribution rates (Docket No. DE 13-127), all of which have hearings scheduled for June 20, 2013. The hearing in Docket No. DE 12-291 is scheduled for 9:00 a.m. followed by the hearing in PSNH's TCAM docket, and the hearing in DE 13-127 is scheduled to begin at 11:00 a.m. The hearing in the instant docket is scheduled for June 19, 2013 at 10:00 a.m.

**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 19, 2013 at 10:00 a.m.; and it is

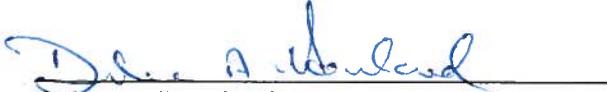
**FURTHER ORDERED**, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than May 29, 2013, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before June 14, 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 14, 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,I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before June 19, 2013.

By order of the Public Utilities Commission of New Hampshire this thirteenth 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.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov  
allen.desbiens@nu.com  
amanda.noonan@puc.nh.gov  
annette.mayo@psnh.com  
Christina.Martin@oca.nh.gov  
elizabeth.tillotson@nu.com  
heather.arvanitis@nu.com  
kristi.davie@nu.com  
langdond@axsessgroup.com  
matthew.fossum@nu.com  
rick.white@nu.com  
Rorie.E.P.Hollenberg@oca.nh.gov  
stephen.hall@nu.com  
Stephen.R.Eckberg@oca.nh.gov  
steve.mullen@puc.nh.gov  
susan.chamberlin@oca.nh.gov  
suzanne.amidon@puc.nh.gov  
tom.frantz@puc.nh.gov  
william.smagula@psnh.com

Docket #: 12-292-1      Printed: May 14, 2013

**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: DEBRA A HOWLAND  
EXEC DIRECTOR  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429
- 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.