

Public Service Company of New Hampshire, et al.
DE 11-184

NH PUC Non-Advocate Staff Responses
to Data Requests of PSNH

ORIGINAL	
N.H.P.U.C. Case No.	DE 11-184
Exhibit No.	#28
Witness	S. Mullen
DO NOT REMOVE FROM FILE	

Date Received: October 21, 2011
Request: PSNH – 1-3

Date of Response: October 28, 2011
Witness: Steven E. Mullen

REQUEST:

Page 17, line 19: You testify that you do not support the ratemaking proposal that is included in the Joint Petition, and upon which the effectiveness of the PPAs is conditioned, but you do not state a reason for your position. Please provide a detailed explanation of why you do not support the proposed ratemaking approval.

RESPONSE:

Under the Joint Petitioners' proposal, in order to keep the above-market portion of the Wood PPA costs from putting additional pressure on PSNH's energy service rate, \$8.5 million of costs would be transferred from recovery through PSNH's energy service rate to its distribution rate. The \$8.5 million is based on an estimate of the typical quantity of uncollectible and regulatory expenses that are allocated to PSNH's energy service rate reconciliation each year in accordance with prior Commission orders. The only rationale put forward for shifting the \$8.5 million of uncollectible and regulatory expenses—the lack of a relation or correlation between such expenses and the costs of providing energy service—does not hold true, as explained on pages 15 – 17 of my testimony. Absent a persuasive rationale for including the \$8.5 million of uncollectible and regulatory expenses in the distribution rate, I cannot support the proposal. In addition, the proposed transfer amounts to nothing more than a clawback of items included in the resolution of prior dockets.

Please also refer to RSA 374-F:1, II which provides in part that “[c]ompetitive markets should...provide electricity buyers and sellers with appropriate price signals...” Further, RSA 374-F:3, III includes the following statement, “When customer choice is introduced, services and rates should be unbundled to provide customers clear price information on the cost components of generation, transmission, distribution and any other ancillary charges.” As my position is that costs proposed to be transferred to the distribution rate are not related to the provision of distribution service, I view my testimony to be consistent with those statutory requirements. Therefore, I view the ratemaking proposal as improper and do not support it.