



Public Service
of New Hampshire

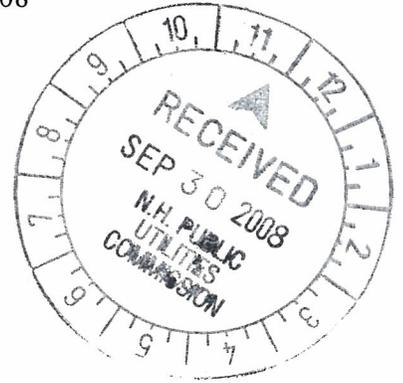
PSNH Energy Park
780 North Commercial Street, Manchester, NH 03101

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The Northeast Utilities System

September 29, 2008

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: **DE 08-113**
PSNH Proposed Default Energy Service Rate Change for 2009

Dear Ms. Howland:

As directed by the Commission's Order of Notice dated September 22, 2008, Public Service Company of New Hampshire has caused to be published a legal notice relative to the above-captioned docket. Enclosed is the original affidavit of publication from The Union Leader, together with the tear sheet, certifying publication of the Order of Notice on September 26, 2008.

Very truly yours,

Gerald M. Eaton
Senior Counsel

GME:acm
Enclosure

SEP 29 2008

I hereby certify that the foregoing notice was published in The Union Leader and/or New Hampshire Sunday News, newspapers printed at Manchester, N.H., by the Union Leader Corporation on the following dates, Viz: 9/25/08

(Signed) *Phyllis Gilbert*

UNION LEADER CORPORATION

State of New Hampshire,
Hillsborough, SS.

(Dated) 9/26/08



Subscribed and sworn to by the said ... *Phyllis Gilbert*

Before me
Marcha A. McGinnis
Marcha A McGinnis
Notary Public
State of New Hampshire
My Commission Expires 04/19/2011

Legal Notice

THE STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DE 08-113

ORDER OF NOTICE

On September 12, 2008, Public Service Company of New Hampshire (PSNH) filed a petition to establish its default energy service (ES) rate for bills rendered on or after January 1, 2009. Pursuant to RSA 366-B:3, IV(b)(1)(a), customers who take energy service from PSNH will be billed at a rate equal to PSNH's actual, prudent and reasonable costs of providing the power, as approved by the Commission.

According to PSNH, its energy service costs include the generation asset, revenue requirements, costs for supplemental energy and capacity purchases, purchase power obligations, fuel costs associated with PSNH's generation, revenues from market sales of electricity, Independent System Operator-New England (ISO-NE) ancillary service charges and the cost of compliance with the New Hampshire Renewable Portfolio Standard (RPS). PSNH states that the generation revenue requirements include no fuel costs of generation, including non-fuel operations and maintenance costs, allocated administrative and general costs, depreciation, property taxes and payroll taxes, and return on the net fossil/ hydro investment. In addition, PSNH's ES rate also reflects the ES portion of uncollectible expenses. See Docket No. DE 06-013, Public Service Company of New Hampshire, Order No. 2471 (May 25, 2007). PSNH has also included costs associated with compliance with the Regional Greenhouse Gas Initiative, R 125-O-19-128.

While PSNH is not proposing a specific ES rate at this time, based on preliminary data, it estimates an ES rate of 10.51 cents per kilowatt hour (kWh) for effect with service rendered on and after January 1, 2009. PSNH states that this estimate is 0.94 cents per kWh higher than the current ES rate of 9.57 cents per kWh. According to PSNH, the increase in the ES rate is due to higher forecasted fuel and purchased power costs. Increases in the cost of compliance with R 362-F, as designated in RSA 362-F, and new costs associated with RGGI compliance.

PSNH included approximately \$13.2 million in projected costs necessary to comply with the Renewable Portfolio Statute, R 362-F. Pursuant to RSA 362-F, PSNH is obligated to purchase Renewable Energy Credits (RECs) one REC for each megawatt of power sold, in amounts that represent a certain percentage of its total electric sales. For 2009, RSA 362-F requires PSNH to purchase three classes of REC's totaling 6% of its electricity supply, as compared to two classes of REC's totaling 5% of its electricity supply in 2008. In addition, PSNH included \$15.4 million in estimated costs related to its compliance with the RPS statute. PSNH based its estimate on projected emissions of approximately 4 million tons of CO₂ from its fossil-fueled fire power plants with generating capacities greater than 25 MW.

The filing raises, inter alia, issues relating to whether the energy service rate is based on PSNH's actual, prudent and reasonable costs of providing such power consistent with RSA 369-B:3, V(b)(1)(A), whether costs associated with the RPS and RPS statutes are reasonable and should be included in rates, whether PSNH should apportion the new rates on a service rendered basis and whether the resulting rates are just and reasonable as required by RSA 378:5 and whether PSNH has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby **ORDERED**, that a Prehearing Conference pursuant to N.H. Admin. Rules Prc 203, be held before the Commission located at 10 S. Pruit St., Suite 10, Concord, New Har

shire on October 6, 2008 at 1:30 p.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. Admin. Rule Prc 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. Admin. Rules Prc 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 September 26, 2008, 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 October 6, 2008, and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Prc 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 October 1, 2008, such as to vocate on or before October 1, 2008, such as to Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Prc 203.17 and RSA 541-A:32.(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 6, 2008.

By order of the Public Utilities Commission of New Hampshire this twenty-second day of September, 2008.

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. Pruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431 TDD /access: Relay N.H. 800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.
(UL - Sept. 25)