

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

DE 08-113

ORDER OF NOTICE

On May 20, 2009, Public Service Company of New Hampshire (PSNH) filed a petition, with supporting testimony and schedules, requesting an adjustment to its energy service rate effective with service rendered on and after August 1, 2009. At the time of its filing, PSNH estimated the new rate to be 8.94 cents per kilowatt hour (kWh) as compared to the current energy service rate of 9.93 cents per kWh. PSNH stated that it will file prior to the hearing updated forecasts and actual experience through May, which may affect the calculation of the energy service rate.

Pursuant to RSA 369-B:3,IV(b)(1)(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 from market purchases and sales; Independent System Operator-New England expenses and revenues; N.H. Electric Renewable Portfolio Standards, (RSA 362-F) and Regional Greenhouse Gas Initiative costs (RSA 125-O:19-28), and Independent Power Producer (IPP) power valued at market prices; and non-fuel operation and maintenance costs, depreciation, property taxes and payroll taxes, uncollectible costs attributable to energy service, and a return on net generation investment.

The Commission established the current energy service rate of 9.93 cents per kWh by Order No 24,920 (December 30, 3008) entered in the instant docket. The petition states that,

since that time, there have been significant decreases in market prices for energy as compared to the estimates used in forecasting the current energy service rate. According to PSNH, these decreases have driven down the commodity cost of coal, coal transportation and market purchases. Absent a rate change, PSNH estimated that the total projected over-recovery for the 2009 energy service year would be \$27.0 million.

In its filing, PSNH requested that the Commission approve an August 1, 2009 effective date for the mid-year adjustment of the energy service rate instead of the customary date of July 1st to coincide with PSNH's request for temporary rates effective August 1st in PSNH's distribution rate case (DE 09-035). PSNH added that it will also request changes to its stranded cost recovery charge rate and transmission cost adjustment mechanism effective August 1st to avoid frequent rate changes and customer confusion, and to provide for rate stability. For administrative efficiency, the Commission will hold hearings on each of these three proceedings on the same day; however, each proceeding will be separately noticed.

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 power consistent with RSA 369-B:3,V(b)(1)(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 them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing pursuant to N.H. Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on July 2, 2009 at 9:00 a.m.; and it is

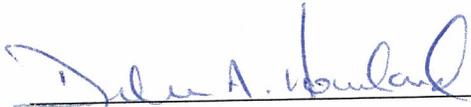
FURTHER ORDERED, that the sequence of hearings on that date shall be as follows: DE 08-114 (stranded cost recovery charge); DE 08-113 (energy service rate); and the to-be-filed transmission cost adjustment mechanism; and it is

FURTHER ORDERED, that pursuant to N.H. 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 June 17, 2009, 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 July 2, 2009; and it is

FURTHER ORDERED, that pursuant to N.H. 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 29, 2009, 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. 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 July 2, 2009.

By order of the Public Utilities Commission of New Hampshire this eleventh day of June, 2009.



Debra A. Howland
Executive Director & Secretary

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.