



**Public Service
of New Hampshire**

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The Northeast Utilities System

Gerald M. Eaton
Senior Counsel

June 28, 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: **DE 11-070**
Request for Permanent Distribution Rate Change

Dear Ms. Howland:

As directed by the Commission's Order No. 25,238 dated June 23, 2011 Public Service Company of New Hampshire has caused to be published a legal notice relative to the above-captioned docket. The legal notice appeared in The Union Leader on June 27, 2011.

Enclosed is the required affidavit of publication with a copy of the legal notice attached.

Very truly yours,

Gerald M. Eaton
Senior Counsel

GME/mlp
Enclosure

AFFIDAVIT

I hereby certify that the foregoing Order No. 25,238 was published in the New Hampshire Union Leader newspaper printed in Manchester, N.H. by the Union Leader Corporation on June 27, 2011.

(Signed) *Gerald M. Eaton*

State of New Hampshire,

Hillsborough, SS

(Dated) ...June 28, 2011

Subscribed and sworn to by the said *Gerald M. Eaton*

Before me,



Melissa L. Price

Notary Public

my Commission Expires February 18, 2014

Legal Notice

Notice of Mortgagee's Sale 37 Westbrook Drive, New Ipswich, New Hampshire

For breach of the conditions set forth in a certain mortgage deed running from **David J. Panagiotos and Cindy A. Panagiotos** to Workers' Credit Union of 815 Main Street, Fitchburg, Massachusetts dated January 30, 2007 and recorded with the Hillsborough County Registry of Deeds in Book 7802, Page 467, by virtue of Power of Sale contained in said mortgage, Workers' Credit Union holder of the mortgage, for the purpose of foreclosing said mortgage, default having been made in the conditions thereof, will sell the premises which are situated at 37 Westbrook Drive, New Ipswich, Hillsborough County, New Hampshire, and described in said mortgage, at PUBLIC AUCTION on the 6th day of July, 2011, at 10:00 in the forenoon (AM) on the premises described in said mortgage and also hereinafter described in the deed to David Panagiotos and Cindy Panagiotos recorded in Hillsborough County Registry of Deeds, New Hampshire at Book 7802 at Page 463 and having a present address of 37 Westbrook Drive, New Ipswich, New Hampshire

TERMS OF SALE

A deposit of Five Thousand (\$ 5,000) Dollars in the form of a certified check, bank cashier's check or other form acceptable to the said mortgagee, to be paid at the time of the sale and the balance of the purchase price to be paid within twenty-nine (29) days of the date of sale in the form of certified check or bank cashier's check or other form acceptable to the mortgagee. The successful bidder(s) will be required to sign a purchase and sale agreement immediately following the close of bidding; said sale will be made subject to any existing liens which take precedence over said mortgage; and subject to all unpaid taxes, the premises being described as follows:

A certain tract of land with the buildings thereon, situated in New Ipswich, County of Hillsborough and State of New Hampshire, bounded and described as follows:

Lot 32-4 as shown on a certain plan entitled "Lot Line Adjustment Plat and Subdivision Plat, "Westbrook Heights," Land of James J. & Judith K. Traffic, Tax Map 9 Lots 31 & 32, Page Hill Road, New Ipswich, New Hampshire, Hillsborough County" prepared by P. C. Bofinger Land Surveying PLLC, and recorded at the Hillsborough County Registry of Deeds as Plan No. 34683 ("Plan").

The above described property is conveyed with a pro rata interest in the road known as Westbrook Drive and as further shown on the Plan until such time as the Town of New Ipswich accepts same as a public road, if at all. Any conveyance of the above described property shall include a conveyance of a pro rata interest in Westbrook Drive, whether or not specifically described and recited in a deed conveying the property described herein, unless said Westbrook Drive has been previously accepted by the Town of New Ipswich.

The above described premises are conveyed subject to all matters of record, including but not limited to the following:

1. The provisions of the Declaration of Restrictive Covenants of Westbrook Heights Subdivision recorded with said Registry at Book 7664, Page 2275, as amended by First Amendment to Declaration of Restrictive Covenants of Westbrook Heights Subdivision recorded with said Registry at Book 7667, Page 760 ("Declaration").

2. As of the date of this deed, the Town of New Ipswich has not accepted any one or all of the infrastructure improvements illustrated on the above described Plan, therefore, the owners of the lots located in the Westbrook Heights Subdivision

42 West Main Street, P.O. Box 372
Ayer, MA 01432
978-772-2284

(UL - June 13, 20, 27)

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Legal Notice

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION DE 11-070 PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE Request for Permanent Distribution Rate Change Order Nisi Approving Permanent Distribution Rate Change ORDER NO. 25,238 JUNE 23, 2011

On March 28, 2011, Public Service Company of New Hampshire (PSNH) filed a Certification of Exogenous Events for 2010. The filing was made pursuant to a settlement agreement (Settlement Agreement) approved by the Commission in Order No. 25,214 (April 26, 2011) in Docket No. DE 09-035, PSNH's most recent distribution rate case. PSNH filed a supporting technical statement and related exhibits with its request. The petition and subsequent docket filings, other than information for which confidential treatment is requested or granted by the Commission, is posted to the Commission's website at

<http://www.puc.nh.gov/Regulatory/Docketbk/2011/11-070.html>.

Pursuant to the Settlement Agreement, PSNH may, on an annual basis, request an adjustment of distribution rates upward or downward in response to qualifying exogenous events if the total distribution revenue impact, positive or negative, of all such events exceeds \$1 million in any calendar year. PSNH's filing documented two exogenous events for 2010: (1) the termination of a Medicare subsidy credit; and (2) bonus tax depreciation. PSNH proposed a net annual increase in its distribution rates of \$2.93 million for effect July 1, 2011. The \$2.93 million is the difference between PSNH's proposed \$3.164 million annual increase due to the termination of the Medicare subsidy credit and PSNH's proposed \$0.234 million annual decrease due to the bonus tax depreciation.

As described in PSNH's filing, the Medicare credit subsidy issue involves two issues. The first is a \$1.331 million Medicare subsidy credit to deferred tax expense that was included in the test year costs in Docket DE 09-035, resulting in a lower revenue requirement. According to PSNH, the health care legislation passed in March 2010 eliminated this credit. Therefore, PSNH stated an increase of \$1.331 million to revenue requirements is necessary, and is consistent with the Exogenous Events section of the Settlement Agreement. The second issue relates to a tax asset that was created, beginning in 2005, while crediting deferred tax expense. PSNH explained that the health care legislation changed the deductibility of certain allowable tax benefits and, as a result, required companies to write off those tax assets that had been previously recorded on the books as of December 31, 2009. The write-off was taken by PSNH in March 2010. The revenue requirement impact of the write-off was \$5.336 million. In addition, PSNH stated that the loss of the tax credit for the period of January 2010 through June 2011 is and will be deferred for a total revenue requirement impact of \$1.997 million (1.5 years x \$1.331 million). The combined revenue requirement impact associated with the write-off and deferral of tax assets is \$7.333 million (\$5.336 million + \$1.997 million). As a result of the changes to federal health care legislation,

scheduled to take effect on July 1, 2011. On May 17, 2011, PSNH filed a revised cover letter correcting its calculations to reflect an estimated overall average rate impact of the changes proposed for effect July 1, 2011 a 0.19% reduction in total rate level, or a 0.72% reduction in distribution rate level. In addition to the instant proceeding, the other proposed distribution rate proceedings that are scheduled for effect July 1, 2011 are: (1) additions to net plant (Docket No. DE 11-095); (2) Step 1 of the reliability enhancement plan as provided in the Settlement Agreement; (3) recovery of storm expense and recovery of marketing and promotion costs associated with the renewable energy service product (collectively, Docket No. DE 11-082); and (4) termination of the recoupment allowed pursuant to the Settlement Agreement.

On June 17, 2011, Staff filed a memorandum with the Commission stating that it had reviewed the revised calculations and recommended approval of PSNH's certification of exogenous events as revised on May 16, 2011. Staff said it had consulted with the OCA and that the OCA did not object to its recommendation.

We have reviewed the filing and Staff's recommendation. We note that there is no dispute as to the validity of the exogenous events or the method and length of the recovery. Further, we find that PSNH followed the process adopted in the Settlement Agreement in filing the certification of exogenous events and we agree that elimination of the Medicare subsidy credit and the bonus tax depreciation qualify as exogenous events contemplated by the Settlement Agreement. Therefore, we find PSNH's May 16, 2011 revised filing reflecting an increase to distribution revenues of \$2.43 million to be just and reasonable and in the public interest and we approve it on a nisi basis.

Based upon the foregoing, it is hereby

ORDERED NISI, that, subject to the effective date below, Public Service Company of New Hampshire's petition, as revised on May 16, 2011, to adjust its distribution rates to reflect an increase of \$2.43 million resulting from certain exogenous events consistent with the terms of the Settlement Agreement in Docket DE 09-035, is APPROVED; and it is

FURTHER ORDERED, that the Petitioner shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than June 27, 2011 and to be documented by affidavit filed with this office on or before July 1, 2011; and it is

FURTHER ORDERED, that all persons interested in responding to this Order Nisi be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than June 29, 2011 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than June 30, 2011; and it is

FURTHER ORDERED, that this Order Nisi shall be effective July 1, 2011, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Petitioner shall file a compliance tariff with the Commission on or before July 15, 2011, in accordance with N.H. Code Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this twenty-third day of June, 2011.

Thomas B. Getz, Chairman
Clifton C. Below, Commissioner
Amy L. Ignatius, Commissioner
Attested-by: Kimberly Nolin Smith
Assistant Secretary

(UL - June 27)