



**Public Service
of New Hampshire**

A Northeast Utilities Company

PSNH Energy Park
780 No. Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire
P.O. Box 330
Manchester, NH 03105-0330
(603) 634-2961
Fax (603) 634-2438

Matthew J. Fossum
Counsel

May 21, 2013

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord NH 03301



RE: DE 11-216, Alternate Default Energy Service Rate
Tariff Pages and Rate Calculation for Effect July 1, 2013

Dear Ms. Howland,

On April 8, 2013 the Commission issued Order No. 25,488 approving a settlement agreement between Commission Staff (“Staff”) the Office of Consumer Advocate (“OCA”) and Public Service Company of New Hampshire (“PSNH”) (collectively, the “Settling Parties”), regarding PSNH’s proposal to implement Alternate Default Energy Service Rate ADE. The approval was premised upon the Settling Parties accepting the Commission’s condition relative to customers whose competitive electric supplier had defaulted.

On May 2, 2013, on behalf of the Settling Parties, PSNH informed the Commission that the Commission’s condition would be accepted. PSNH also outlined the Settling Parties’ understanding of the settlement agreement and Order No. 25,488 in general and in light of the Commission’s condition. The May 2, 2013 letter stated that PSNH would implement Rate ADE for large customers beginning on July 1, 2013.

As described in section 2.3 of the settlement agreement, Rate ADE is based upon PSNH’s marginal costs, plus an adder equal to the non-operating costs of the Merrimack Station Scrubber. To implement Rate ADE, and consistent with section 2.3 of the settlement agreement, PSNH provides the enclosed materials relating to the rate under Rate ADE for effect on July 1, 2013.

Enclosed are proposed tariff pages implementing Rate ADE, as well as illustrative changes to Default Energy Service Rate DE necessitated by the condition in Order No. 25,488. The first attachment shows the calculation of a rate of 7.83 cents/kWh for service under Rate ADE for the period July 1 to December 31, 2013. That attachment also contains a calculation of the non-operating costs of the Scrubber. The second attachment shows the calculation of PSNH’s marginal costs for purposes of calculating the rate under Rate ADE. PSNH is not filing

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proposed tariff pages for Rate DE at this time, since the Commission will determine the rate to be charged under Rate DE for effect on July 1, 2013, following the June 19, 2013 hearing in Docket No. DE 12-292. The language on the illustrative tariff page will be incorporated into the tariff page filed in compliance with the Commission's order in Docket No. DE 12-292.

Enclosed is one signed original copy of all filing materials and three conformed copies. PSNH is requesting that one conformed copy bearing the Commission's date-of-receipt stamp be returned. Thank you for your assistance with this matter. Please do not hesitate to contact me should you have any questions.

Sincerely,



Matthew J. Fossum
Counsel

Enclosures
Cc: Service List