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December 8, 2014

Debra A. Howland
Executive Director and Secretary
State of New Hampshire
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

NHPUC 8DEC14P2:25

Docket No. DE 11-216

PSNH'S REQUEST FOR ADJUSTMENT TO
ALTERNATE DEFAULT ENERGY SERVICE RATE

**Brief Statement of Freedom Logistics, LLC d/b/a Freedom Energy Logistics' ("FEL")
in Lieu of Cross-Examination and Closing Statement on December 9, 2014**

Dear Ms. Howland:

I am writing on behalf of Freedom Logistics, LLC d/b/a Freedom Energy Logistics' ("FEL") to provide a brief statement in this proceeding in lieu of conducting cross-examination at the hearing on December 9 and making a closing statement thereafter.

This proceeding has somehow morphed from a pilot program providing a special lower rate to encourage customers to return to PSNH Default Service to a higher rate intended to discourage customers from returning to Default Service. Along the way, there has been little or no consultation with the affected customers or suppliers.

However, it now appears that there will be little or no effect on customers during the months of January, February and March because they will have already returned to Default Service prior to Amended ADE's effective date.

Moreover, the recent Order of Notice issued by the Commission in Docket No. IR 14-438 indicates that the Commission wants to consider in that proceeding, *inter alia*, "whether changes should be made to default service procurement methods to minimize cost shifting between

long- and short-term customers of default service.” This is the appropriate proceeding for the Commission to holistically consider the issues presented by PSNH’s proposed Amended Rate ADE.

Beyond this, the pricing of Amended Rate ADE does not meet the statutory requirement of being based upon “actual” costs. RSA 369-B: 3, IV (b) (1) (A). Instead, the pricing is based upon estimated marginal costs which are not reconciled to actual costs for the customers taking service under Amended Rate ADE.

Finally, the upcoming decisions by the Commission on Scrubber cost recovery and divestiture of PSNH generating units will likely have a major impact on PSNH’s situation. There may be no need for Amended Rate ADE.

Thank you for your attention to this matter.

Sincerely,

/s/ James T. Rodier

Certification of Service

Pursuant to Rules Puc 203.02(2) and Puc 203.11, I have served copy of this letter on each person identified on the commission’s service list for this docket.

/s/ James T. Rodier