

DR 98-097

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Restructuring Compliance Filing

Order on Request to Amend Filing

O R D E R N O. 23,369

December 20, 1999

APPEARANCES: Dean, Rice & Kane by Mark W. Dean, Esq. for New Hampshire Electric Cooperative, Inc.; Gerald M. Eaton, Esq. for Public Service Company of New Hampshire; James Rodier, Esq. for Freedom Partners, LLC, AGF Direct Energy, Ltd., New Hampshire Consumers Utility Cooperative and Town of Waterville Valley; Robert A. Backus, Esq. for the Campaign for Ratepayers' Rights; James A. Monahan for Cabletron Systems, Inc.; Assistant Attorney General Stephen J. Judge for the Governor's Office of Energy and Community Services; New Hampshire Legal Assistance by Alan Linder, Esq. for the Save Our Homes Organization; Office of Consumer Advocate by F. Anne Ross, Esq. and Kenneth Traum for residential ratepayers; and Donald M. Kreis, Esq. and Thomas C. Frantz, Chief Economist, for the Staff of the New Hampshire Public Utilities Commission.

I. BACKGROUND AND PROCEDURAL HISTORY

On September 8, 1998, the Commission entered Order No. 23,013 approving the compliance filing by the New Hampshire Electric Cooperative, Inc. (NHEC) relative to NHEC's obligations under the State's electric utility restructuring law, RSA 374-F. The Commission has subsequently issued two orders concerning the terms of the filing. See Order No. 23,249 (June 30, 1999) (approving Stranded Cost Charges, Default Power Charges, Regional Access Charges and Short-Term Avoided Cost Rates through December 31, 1999) and Order No. 23,305 (September 27, 1999) (maintaining Restructuring Surcharge through December 31, 1999). Now before

the Commission is a proposed comprehensive amendment of NHEC's compliance filing to take account of two significant events: (1) the Settlement Agreement entered into on September 30, 1999 by NHEC and Public Service Company of New Hampshire (PSNH) to resolve litigation over wholesale power arrangements, and (2) NHEC's plans to commence retail electricity competition in its service territory on January 1, 2000.

The Commission conducted a duly noticed pre-hearing conference on November 9, 1999 and the parties thereafter met for a technical session. At the pre-hearing conference, without objection, the Commission granted the motions to intervene of AGF Direct Energy, Ltd. and Town of Waterville Valley. The other intervenors that have appeared in the present phase of this docket have been previously granted party status.

There was also discussion at the pre-hearing conference about NHEC's motion for confidential treatment of three exhibits submitted with its filing that include NHEC's financial forecasts, including projected sales and revenues, through 2012. NHEC and Staff indicated they had agreed the Commission should defer consideration of the motion until after Staff had been given an opportunity to view an unredacted version of the exhibits in question.

The proposal before us seeks approval for: (1) NHEC's proposed methodology for recovery of stranded costs associated with its 2 percent ownership interest in Seabrook, (2) an \$18

million payment being made to PSNH in connection with a settlement agreement reached by the two companies to terminate their so-called Amended Partial Requirements Agreement (ARPA), (3) the satisfaction of a \$5.5 million note held by PSNH and interest accrued thereupon, (4) remaining payments in connection with a settlement agreement entered into by NHEC concerning its interest in Maine Yankee, (5) the over-market or under-market costs of payments to Qualifying Facilities and/or other wholesale power producers, and (6) any over-recovery or under-recovery balance remaining at the end of 1999 in connection with its Power Cost Recovery mechanism. NHEC also seeks approval of its proposed financing, through the National Rural Utilities Cooperative Financing Corporation (CFC), of its PSNH termination payment, its Seabrook-related debt and its prepayment of the PSNH note. The proposed amortization period for the first two of these items is 12 years. With regard to the PSNH note, NHEC proposes to amortize and repay the sum over the first six months of 2000. The note was issued in the amount of \$5.5 million at the time NHEC emerged from bankruptcy; with accrued interest, the note presently carries a balance of approximately \$7.9 million.

The agreement between NHEC and PSNH to terminate the ARPA would permit NHEC to satisfy all stranded cost claims PSNH may have against it through a lump sum payment of \$18 million. Under the agreement, NHEC will continue to receive transmission and delivery services from PSNH. However, NHEC will no longer

pay demand charges to PSNH. NHEC, its members or their competitive suppliers will be responsible for obtaining (1) Regional Network Service (RNS) from NEPOOL at the standard tariff rates set by the Federal Energy Regulatory Commission (FERC) and (2) Local Network Service (LNS) from Northeast Utilities Service Corporation, an affiliate of PSNH. These services provide for the transmission of power to PSNH's 34.5 kV facilities and NHEC's 115 kV Saco delivery point. Finally, NHEC has agreed to pay delivery charges to PSNH to cover the delivery of power over PSNH's 34.5 kV facilities.

Currently in place is a sellback agreement under which PSNH purchases NHEC's share of Seabrook power output at NHEC's costs. The sellback agreement terminates on June 30, 2000 and, absent the proposed settlement between PSNH and NHEC, NHEC would begin incurring its full Seabrook-related stranded costs as of July 1, 2000. NHEC proposes to begin recovering Seabrook-related stranded costs as of that date. According to NHEC, prepaying the PSNH note and recovering the prepayment over the first six months of 2000 promotes rate stability and avoids sending misleading price signals because this treatment smooths out what would otherwise be a much larger rate decrease on January 1, 2000 followed by a rate increase on July 1, 2000 to cover Seabrook stranded costs.

NHEC's proposal also seeks our approval of proposed transition and default service rates for the period of January 1,

2000 through May 31, 2000. Following a competitive bidding process, NHEC entered into a contract with Southern Company Energy Marketing, L.P. (Southern) that provides for transition service at \$0.04619 per kWh during peak hours and \$0.03815 per kWh off peak. This yields an average price of \$0.0422 per kWh for transition service.

To date, NHEC has provided service to six ski areas in its service territory through a contract with PSNH to supply interruptible power. These ski areas have entered into special contracts with NHEC. As part of NHEC's settlement with PSNH, NHEC is proposing two revisions of these contractual arrangements. The special contract customers presently pay the greater of the stated contract rate or the sum of PSNH's Fuel and Purchased Power Adjustment Clause (FPPAC), the FPPAC Base (BA) and the Nuclear Decommissioning Charge. The first proposed change negotiated with PSNH would permit the ski areas to avoid paying a rate higher than the one stated in the contracts. The second proposed change would permit NHEC to pass through a 3.7 cent per kWh "shopping credit" to special contract customers that obtain competitively supplied power. This is similar to a provision included in the proposed settlement of PSNH restructuring issues now before the Commission in Docket No. DE 99-099.

NHEC's proposal includes a stranded cost charge that is the same for all members served under NHEC's retail tariff rates.

In addition to this proposed stranded cost charge of \$0.03336 per kWh, NHEC proposes to revise regional access charge to cover transmission, PSNH delivery and NEPOOL/ISO-New England charges. These charges are presently imposed as a flat rate for all classes of customers; NHEC proposes to redesign these charges, based on cost allocation factors, to vary by customer class. NHEC opted to allocate the costs based on forecast kilowatt-hour sales. It proposes the semi-annual adjustment to the regional access charge, but requests that the mid-year change take place in June rather than July as has been traditional, given that transition and default service rates are also likely to change on June 1.

On October 29, 1999, NHEC filed a proposal to decrease the surcharge to fund its interim Energy Assistance Program (EAP) effective on January 1, 2000, increasing the rate discount provided to program participants. That request has been consolidated with the instant proceeding. According to NHEC, its proposal to lower the surcharge adjusts for an over-recovery in connection with the program and a revised projection of the number of program participants. Additionally, on September 10, 1999 NHEC filed in Docket No. DR 98-025 (its base rate proceeding) a request to add a surcharge of \$0.00038 per kWh to cover costs associated with litigation in connection with the closure of Maine Yankee. As with the matter related to the EAP surcharge, the Commission agreed in its prehearing order to

consider that issue in the context of NHEC's request to amend its compliance filing.

Finally, NHEC notes that the Commission has previously determined that there must be at least three registered suppliers of competitive service in NHEC's territory at the time of Competition Day. NHEC asks the Commission to waive this condition in setting Competition day at January 1, 2000.

In terms of overall impact, the NHEC proposal would, if adopted, cause retail tariff rates in its service territory to decrease by 18.4 percent on an average basis as of January 1, 2000. According to NHEC, a residential ratepayer with 500 kWh of monthly usage would see a decrease from \$90.77 to \$72.08, a decrease of slightly more than 20 percent.

In support of its proposal, NHEC submitted the prefiled testimony of Heather K. Saladino, manager of rates and finance, with accompanying exhibits. Ms. Saladino filed revised testimony on November 29, 1999 to reflect the signing of NHEC's contract with Southern, a revision in the financing arrangements as negotiated with CFC and to correct certain minor errors in her original testimony.

On December 6, 1999, the Commission received a Settlement Stipulation entered into by NHEC, the Office of Consumer Advocate (OCA), the Campaign for Ratepayers' Rights (CRR), Cabletron Systems, Inc. and the Commission Staff (referred to collectively as Settling Parties). The Commission conducted a

hearing on December 9, 1999 at which Ms. Saladino testified in support of the Settlement Stipulation.

II. POSITIONS OF THE PARTIES AND STAFF

A. Settling Parties

In general, the proposed settlement of the issues raised by NHEC's filing adopts NHEC's proposal subject only to certain clarifications. The Settling Parties stress that the settlement is not intended to establish any precedent regarding the implementation of RSA 374-F or any Commission orders issued pursuant to the statute. In particular, the Settling Parties note that the structure, terms and prices for transition and default service to be provided by NHEC after May 31, 2000 will be the subject of future proceedings - and that the Commission should be free in those proceedings to depart from any approaches approved here. Similarly, it is the position of the Settling Parties that the modeling assumptions used by NHEC to estimate Seabrook-related stranded costs are not intended to bind the Commission, or any of the parties, to a particular treatment of Seabrook assets. In other words, the Commission would remain free, in a future docket, to make a determination concerning the timing and nature of any divestiture of Seabrook assets.

The proposed settlement acknowledges that NHEC is about to embark upon the process of seeking bids for transition and default service after May 31, 2000. According to the settlement,

NHEC plans to keep its default and transition service rates equal, but will propose the inclusion of an adder to its default service rate as of 2001, the revenue from which would be applied to reduce stranded costs. The settlement proposal includes a recognition that the policy principles in the restructuring statute, RSA 374-F:3, call for transition service rates that increase over time so as to encourage customers to choose a competitive supplier. Under the proposed settlement, NHEC adopts a step-by-step approach to transition service pricing, setting transition service rates for only the coming five months as a means of giving all interested parties an opportunity to evaluate the effectiveness of NHEC's transition service in achieving the goals of the restructuring statute. The Settling Parties specifically agree that NHEC will consider the implementation of an adder as a component of the transition service rates to be charged after May 31, 1999 as a means of promoting competition. NHEC also agrees with the other Settling Parties that it will consider the establishment of market development benchmarks and adjustments to the length of the transition service period in the development of future transition service proposals. NHEC agreed that, prior to issuing its next request for transition service proposals, it would file its future proposal for transition service with the Commission and provide a copy to the parties on the service list of this docket. Under the terms of the proposed settlement, NHEC will state in that filing how it intends to

resolve the retail adder issue and will also disclose what other measures it intends to take with regard to promoting retail competition. NHEC agreed that it would structure its request for proposals to produce bids that can accommodate implementation of transition service including a retail adder if any party in the docket so requests.

The proposed settlement recognizes that the Staff of the Commission is of the view that systems benefits charges, stranded cost charges and other restructuring requirements should be passed through to NHEC's special contract customers. However, under the proposed settlement, these issues are explicitly left unresolved and NHEC agreed to request that the Commission immediately open a separate docket to consider them.

The Settling Parties further agreed that NHEC will amend its tariff to reduce the monthly fee to competitive suppliers from \$1.20 to \$0.60, subject to future adjustments to reflect the actual cost of providing this service. Under the proposed settlement, NHEC will provide a credit against the Regional Access Charge for the Regional Network Service and Local Network Service components of that charge for members obtaining transmission services directly from transmission providers to the extent that NHEC is relieved of transmission obligations as a result.

Additionally, the Settling Parties propose that the

Commission waive any applicable accounting rules that would preclude NHEC from accounting for and recovering its proposed prepayment of the PSNH note over the first six months of 2000. In connection with the PSNH note, Ms. Saladino testified that NHEC's proposal to prepay the PSNH note prior to December 31, 1999 saves \$600,000 because it permits NHEC to avoid paying any interest on the note in 1999. According to Ms. Saladino, absent NHEC's proposed recovery of the PSNH note its rates would decline by 27 percent as of January 1, 2000, to be followed by a 14 percent increase on July 1. Ms. Saladino further testified that prepayment of the note as proposed by the Settling Parties ultimately saves approximately \$4 million in interest costs over what would have been the life of the note.

The Settling Parties propose that the Commission make certain findings of fact and conclusions of law, viz: that NHEC's proposal for the determination of, accounting for and recovery of Seabrook-related stranded costs, including the write-off of those costs at the termination of the Sellback agreement on July 1, 2000, be approved and that NHEC be permitted to establish a regulatory asset and book deferred revenue pursuant to that proposal; that the Commission approve NHEC's proposed financing of the \$18 million payment to PSNH called for in the settlement agreement between the two companies, and that NHEC be permitted to treat this payment as creating a regulatory asset; that the Commission explicitly waive any accounting rules that would

preclude amortization of the PSNH note over the first six months of 2000; that NHEC's proposal for transition and default service covering January 1, 2000 through May 31, 2000 be approved; and that NHEC be authorized to charge and collect from its ratepayers through a transition and/or default service charge all revenues required to pay the costs and charges associated with NHEC's power supply agreement with Southern.

B. Public Service Company of New Hampshire

PSNH appeared at the prehearing conference to indicate that it supports NHEC's proposals and that it would be participating in the proceeding solely to provide information as necessary. Accordingly, PSNH did not appear at the hearing.

C. Campaign for Ratepayers' Rights

Although the Campaign for Ratepayers Rights appeared at the prehearing conference held in connection with this matter, it did not appear at hearing or take a formal position on the proposed Settlement.

D. Save Our Homes

Save Our Homes appeared at the hearing to express only one concern: that NHEC's proposed reduction in the surcharge to fund NHEC's Energy Assistance Program from 1 mill per kWh to 0.41 mills to reflect overcollection in 1999 could force NHEC to establish a waiting list for participation in the program in the event there are more income-eligible ratepayers than forecast by

NHEC.

E. Governor's Office of Energy and Community Services

Although not a signatory to the Settlement, the Governor's Office of Energy and Community Services (GOECS) indicated that it generally supports the proposal. GOECS further expressed the view that administrative costs for transition service should be spread equally among all classes of customers, that the proposed surcharge for the interim Energy Assistance Program may be too low to fund the program adequately, and that issues relating to any stranded costs to be recovered from special contract customers are appropriately deferred to a separate proceeding.

F. AGF Direct Energy, Ltd., Freedom Partners, LLC and New Hampshire Consumers Utility Cooperative

AGF Direct Energy, Ltd., Freedom Partners, LLC and New Hampshire Consumers Utility Cooperative - all potential competitive suppliers of power in NHEC's service territory - indicated that they take no position with regard to the appropriate level of NHEC's stranded cost recovery or the period over which such recovery should be amortized. With that exception, these three parties indicated they support the proposed Settlement.

G. Town of Waterville Valley

The Town of Waterville Valley contends that neither the

NHEC proposal to amend its compliance filing nor the Settlement into which it has entered with other parties in this proceeding provide sufficient short-term rate relief to NHEC's member-customers. According to Waterville Valley, NHEC's rates increased by 23 percent last year and, thus, the proposed decrease in rates as of January 1 does not even make up for recent rate hikes. The Town's view is that NHEC's stranded costs should be amortized over a period of longer than 12 years in order to provide greater rate relief as of the proposed Competition Day.

The Town of Waterville Valley objects to the proposed waiver of accounting rules in order to permit NHEC to prepay the PSNH note and recover the prepayment from ratepayers during the first six months of 2000. According to the Town, such waivers are extremely rare. The Town further contends that, because the Uniform System of Accounts promulgated by FERC is explicitly made applicable here by this Commission's rules, waiver is inappropriate because the Settling Parties have failed to meet the standard articulated in PUC 201.05 for rules waiver. According to the Town, granting a waiver in these circumstances would set an inappropriate precedent of which other utilities could take advantage. It is the Town's position that a purpose of the Uniform System of Accounts, to prevent distortions in a utility's revenue and income, is well-served by denying NHEC's request to amortize this debt over such a short period. In so

arguing, the Town asked the Commission to take into account the net present value that these sums would have in the hands of NHEC ratepayers, as opposed to the longterm savings achieved by NHEC by prepaying the PSNH obligation.

Additionally, the Town asks the Commission to order NHEC specifically to seek the input of interested parties prior to seeking to amend its restructuring compliance filing in the future.

Finally, the Town of Waterville Valley presented letters from the Town of Bartlett and the Town of Alton. Although neither Bartlett nor Alton have intervened, and neither letter was offered into evidence, the Town of Waterville Valley drew the Commission's attention to these expressions of additional support from municipalities in NHEC's service area for immediate and significant rate relief.

III. COMMISSION ANALYSIS

We conclude that the proposed Settlement Agreement before us in this proceeding is consistent with the public interest and we therefore approve it. In particular, it is laudable that NHEC and PSNH have successfully negotiated a termination of their Amended Partial Requirements Contract in light of the recent FERC ruling that NHEC would remain liable for demand charges under the agreement even if NHEC customers obtain power elsewhere. This agreement strikes us as a fair and reasonable one, and one that clears the way for electric

competition to begin in the NHEC service territory. The achievement of this milestone is consistent with the stated purposes of RSA 374-F.

With regard to the concern expressed by Save Our Homes and GOECS relative to the interim Energy Assistance Program, we note that Ms. Saladino addressed this issue in her oral testimony. She indicated that, should we grant the request to adjust the interim EAP surcharge, NHEC will in no circumstances turn eligible program applicants away but would, in the event the surcharge proves inadequate to fund the program fully, allow all eligible ratepayers to participate and would then ask the Commission to adjust the surcharge to allow for the appropriate recovery. We believe this adequately addresses the stated concern.

Although it represents a relatively small percentage of the overall stranded costs NHEC proposes to recover, the major item of contention at the hearing was the proposed treatment of the PSNH note. We believe that NHEC's proposed treatment of this obligation is consistent with the public interest and we disagree with the Town of Waterville that such treatment is inconsistent with our rules.

As the Town notes, NH Code Admin. Rules PUC 307.04 requires any electric utility we regulate to "maintain and preserve its accounts and records in conformity" with the Uniform System of Accounts established by FERC, 18 C.F.R. Pt. 101.

However, Rule 307.04 "does not address ratemaking treatment. It only addresses how the Company is required to maintain accounting records." *Public Service Co. of New Hampshire*, 72 NH PUC 330, 336 (1987). Notwithstanding the references in the proposed Settlement to a waiver of the Uniform System of Accounts, it is apparent that what the Settling Parties were concerned with was allowing NHEC to amortize the PSNH note balance over a period of time that is far shorter than that which would be justified under conventional ratemaking principles. In no sense are the Settling Parties proposing that NHEC fail to maintain its records in conformity with the FERC accounting principles. Moreover, the FERC accounting principle from which the Settlement Stipulation purports to seek a waiver, 18 C.F.R. Pt. 101, Account 456, involves an amortization period for certain assets "not to exceed five years." By simple operation of this language, an amortization period of six months is consistent with the quoted accounting rule. We need not decide whether the regulatory asset NHEC proposes to create in connection with the PSNH note is properly reported under this account or some other, an issue that appears to be the subject of some disagreement between Staff and NHEC. We are confident that such details, relating to how NHEC reports its financial transactions, can be resolved through discussions between NHEC and Staff.

We believe that, in the unique circumstances presented here, permitting NHEC to prepay this debt and recover it over the

unusually short period of six months is appropriate. As noted by the Settling Parties, in the context of NHEC's transition to competition on January 1, 2000, the settlement of NHEC's dispute with PSNH over wholesale power supply and the advent of Seabrook-related stranded costs six months after competition day, the proposed treatment of the PSNH note enables rates to remain stable during this period. It will also save more than \$4 million in interest costs that would have been incurred over what would have otherwise been the life of the note. We are unpersuaded by the Town of Waterville Valley's argument that we should reach a different result. If we adopted the Town's logic in that regard, we would always require utilities to defer the recovery of every expense over as long a period as possible - a result that would self-evidently not be in the public interest.

Obviously, and as acknowledged by the Settling Parties, a six-month recovery period for a regulatory asset of nearly \$8 million is an unusual situation, particularly because in this instance it involves a regulated entity that is a member-owned cooperative and not an investor-owned utility. In this situation, there are no concerns about any impact on rate of return because the transaction at issue raises NHEC's equity level by the \$5.5 million represented by the debt principal. We therefore stress that approving the proposal in this specific situation is not intended to suggest that we will grant similar treatment to additional assets of this or any other utility in

the future.

With regard to other issues in the docket, we note that the agreement reached by the Settling Parties is careful to establish no precedent as to how the Commission will treat transition and default service in NHEC's service territory after May 31, 2000. We agree with the logic of using NHEC's initial contract with Southern as a means of launching competition for NHEC's member-customers. As noted in the settlement agreement, we reserve the right to reexamine all issues related to transmission and default service when NHEC's plans for transition and default service after May 31, 2000 come before us.

Likewise, and as contemplated by the Settling Parties, our decision today is intended to set no precedent with regard to how any New Hampshire utility should treat its investment in Seabrook. The proposal submitted here by NHEC contains certain assumptions about Seabrook, employed purely for modeling purposes. These assumptions are conservative in the sense that they project a high level of stranded costs associated with NHEC's 25 MW interest in the Seabrook facility. We neither endorse nor reject these assumptions and, in particular, our approval of the settlement agreement is not intended to convey any view as to how, when, or whether NHEC or any other New Hampshire utility should divest of its Seabrook interests. As the parties here recognize, because of PSNH's much larger interest in Seabrook the issue of Seabrook divestiture is more

squarely before us in Docket No. DE 99-099, where we face the issue of PSNH's stranded costs. Our decision here is without prejudice to Seabrook-related issues in that docket.

Finally, as do the Settling Parties, we stress that we take no position here on whether the six ski areas served by NHEC through special contracts should be required to pay stranded cost charges, systems benefit charges and other charges associated with restructuring. We believe it is important to resolve these issues and we will therefore hold NHEC to the commitment it has made to file an immediate request for us to open a new docket concerning the applicability of restructuring charges to its special contract customers.

IV. MOTION FOR CONFIDENTIAL TREATMENT

The only issue remaining is the motion for confidential treatment filed by NHEC at the beginning of this phase of the docket. NHEC invokes RSA 91-A:5, IV, which authorizes a state agency to exempt from public disclosure "confidential, commercial, or financial information." Consistent with the requirement in such circumstances that we weigh "the public's interest in disclosure" against the asserted privacy interest, see *Union Leader Corp. v. N.H. Housing Fin. Auth.*, 142 N.H. 540, 553 (1997), we have typically applied a balancing test to such requests. See, e.g., *Public Service Co. of N.H.*, Order No. 23,090 (December 21, 1998).

In this instance, NHEC's stated basis for treating its financial forecasting data as confidential is that "unrestricted disclosure of the confidential information contained in its financial forecast could unnecessarily disadvantage NHEC in the current business environment of the New England electric utility industry." This is an entirely conclusory contention. Without any specifics as to how disclosure of this information would be damaging to NHEC, the requisite balancing test would yield a conclusion that the public's interest in disclosure outweighs any privacy interest asserted by NHEC. However, because we are concerned that NHEC may not have had a full opportunity to articulate its basis for having this data treated as confidential, we will continue to withhold these documents from public disclosure for ten days after issuing this order. NHEC may, within that time, reassert its motion and, if it does so, it should provide a more detailed explanation of why it believes confidential treatment is appropriate. Absent such a filing, the motion will be deemed to be denied in ten days without further order.

Based upon the foregoing, it is hereby

ORDERED, that the Settlement Stipulation entered into by the Settling Parties in this docket regarding the amendment of NHEC's restructuring compliance filing is APPROVED; and it is

FURTHER ORDERED, that, subject to this stipulation,

NHEC's proposal for the determination of, accounting for and recovery of Seabrook-related stranded costs, including the write-off of those costs at the termination of the Sellback agreement on July 1, 2000, is approved; NHEC may establish a regulatory asset and book deferred revenue pursuant to that proposal; NHEC's proposed financing of the \$18 million payment to PSNH called for in the settlement agreement between the two companies is approved, and NHEC may treat this payment as creating a regulatory asset to be amortized over twelve years; NHEC's proposal for transition and default service covering January 1, 2000 through May 31, 2000 is approved; and NHEC is authorized to charge and collect from its ratepayers through a transition and/or default service charge all revenues required to pay the costs and charges associated with NHEC's power supply agreement with Southern; and it is

FURTHER ORDERED, that NHEC file amended tariffs pages in conformity with the terms of this order within seven days; and it is

FURTHER ORDERED, that NHEC's motion for confidential treatment be deemed to be denied ten days from the issuance of this order unless, within that period, NHEC reasserts the motion in sufficient detail to justify granting the motion.

By order of the Public Utilities Commission of New Hampshire this twentieth day of December, 1999.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary