

DE 04-177

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Petition to Increase Transition Service and Default Service Rate

Order Establishing Procedural Schedule

ORDER NO. 24,484

July 5, 2005

On July 1, 2005, Public Service Company of New Hampshire (PSNH) filed with the New Hampshire Public Utilities Commission (Commission) a petition to increase its Transition Service and Default Service rate from 6.49 cents per kilowatt-hour to 7.34 cents, effective on August 1, 2005. PSNH made the filing pursuant to Order No. 24,427 (January 28, 2005), in which the Commission approved a 6.49 cent per kWh Transition Service and Default Service rate for the year beginning on February 1, 2005, subject to a potential mid-year rate adjustment upon request of PSNH, another party or the Commission Staff. *See also* Order No. 24,358 (August 2, 2004) (authorizing similar mid-year rate adjustment).

Pursuant to RSA 374-F:2, Transition Service is “electric supply that is available to existing customers prior to each customer’s first choice of a competitive electricity supplier and to others, as deemed appropriate by the commission” and Default Service is “electricity supply that is available to retail customers who are otherwise without electricity supplier and are ineligible” for Transition Service. These energy charges are in addition to the Stranded Cost Recovery Charge and the Delivery Service charge also paid by PSNH customers. The vast majority of PSNH’s customers presently take Transition or Default Service, as opposed to purchasing electricity from a competitive supplier. PSNH presently provides Transition and

Default Service out of its portfolio of company-owned non-nuclear generation assets, supplemented by additional wholesale purchases as necessary.

In Order No. 24,427, the Commission declined to exercise its authority under RSA 369-B:3, IV(b)(1)(C) to extend the availability of Transition Service to large commercial and industrial customers. Accordingly, Transition Service ceased being available to those customers on February 1, 2005; any such customers not taking service from a competitive supplier began taking Default Service on that date. Transition Service for all customers ceases on April 30, 2006. *See* RSA 374-F:3, V(b) and Order No. 24,427, slip op. at 17 (extending Transition Service from February 1, 2006 through April 30, 2006 pursuant to RSA 369-B:3, IV(b)(1)(B)). Since the PSNH service territory was opened to competition among energy suppliers in 2001, PSNH has consistently sought and the Commission has agreed to set a Default Service rate that equals the Transition Service rate. PSNH again proposes to adopt such a rate policy here.

PSNH estimates that it will undercollect its Transition Service costs by approximately \$35.3 million as of January 31, 2006, if there is no change to the current Transition Service rate. The proposed rate change would increase the bill for a residential customer using 500 kWh per month by \$4.25 and would increase overall rates by 6.5 percent. PSNH explains that the reasons associated with the rate increase request include higher coal and coal transportation costs, increases in purchased power costs due to hikes in market prices and higher oil prices.

Pursuant to Order No. 24,427 and RSA 365:28, respectively, we will address the petition to increase rates in a hearing on July 26, 2005 at 10:00 a.m. A technical session open to

the public will be held on July 15, 2005 at 9:00 a.m. and testimony responsive to either the petition or motion will be due July 21, 2005. Parties to Docket No. DE 04-177 remain parties to the proceeding; new motions to intervene are due by July 21, 2005. Consistent with standard practice, public statements will be entertained at the July 26 hearing.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing be held at the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on July 26, 2005 at 10:00 a.m., and it is

FURTHER ORDERED, that the following procedural schedule:

Technical Session	July 15, 2005 9:00 a.m.
Responsive Testimony on petition and/or motion	July 21, 2005

is established unless otherwise ordered; and it is

FURTHER ORDERED, that the Executive Director shall notify all persons desiring to be heard at this hearing by publishing in a newspaper with statewide circulation, no later than July 8, 2005, a display ad setting forth the purpose, time and place of the hearing and by posting this order on the Commission's website by such date; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to PSNH and the Office of the Consumer Advocate on or before July 21, 2005, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.02 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 26, 2005.

By order of the Public Utilities Commission of New Hampshire this fifth day of July, 2005.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Michael D. Harrington
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary