

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 07-121

NEW HAMPSHIRE ELECTRIC COOPERATIVE

Request for 2008 Stranded Cost Charge

Order *Nisi* Granting Petition

ORDER NO. 24,808

December 17, 2007

On November 13, 2007, the New Hampshire Electric Cooperative (NHEC), consistent with RSA 362:2, II and RSA 374-F, filed a request for authority to change its stranded cost charge effective with bills rendered on and after January 1, 2008. NHEC proposes to decrease the stranded cost charge from the current rate of 1.638 cents per kilowatt-hour (kWh) to 1.580 cents per kWh, which would result in a 0.33 percent decrease in total estimated annual revenue. The rate change would cause the bill of a residential customer using 500 kilowatt-hours per month to decrease from \$94.32 to \$94.03, if there were no other changes to NHEC's rates.

On January 1, 2008, NHEC also plans to change certain other rates not regulated by the Commission. The NHEC expects to decrease its delivery charge by 0.071 cents per kWh. For a customer using 500 kWh per month, the reduction in the delivery charge would reduce the monthly bill by an additional 36 cents, resulting in a total reduction of 65 cents in the monthly bill. Together, these changes would result in lowering the bill of a residential customer using 500 kWh per month from \$94.32 to \$93.67.

The stranded cost charge includes amortization of the Seabrook regulatory asset and the amortization of a regulatory asset associated with the termination of NHEC's wholesale power contract with Public Service of New Hampshire. The NHEC estimates that, at the end of 2007,

it will have under-recovered its stranded costs for the year by approximately \$280,000 due to a decrease in sales during the last two months of 2006 and, in 2007, a increased stranded costs accompanied by sales lower than forecast. NHEC plans to include the \$280,000 in the beginning balance in the calculation of the 2008 stranded cost charge.

Staff reviewed the proposal in a memorandum filed on December 14, 2007, and recommended that the Commission approve by an order *nisi* NHEC's proposed stranded cost charge rate of 1.580 cents per kWh beginning January 1, 2008. We have reviewed NHEC's filing and Staff's recommendation and find that the proposed changes to the 2008 stranded cost charge are just and reasonable.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, that New Hampshire Electric Cooperative be authorized to change its Stranded Cost Charge effective with bills rendered on and after January 1, 2008, from 1.638 cents per kWh to 1.580 cents per kWh; and it is

FURTHER ORDERED, that NHEC 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 December 21, 2007 and to be documented by affidavit filed with this office on or before December 26, 2007; 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 December 27, 2007 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 December 31, 2007; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective January 1, 2008, unless the NHEC 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 NHEC shall file a compliance tariff with the Commission on or before December 31, 2007, in accordance with N.H. Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this seventeenth day of December, 2007.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Clifton C. Below
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary