

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 09-226

NEW HAMPSHIRE ELECTRIC COOPERATIVE

Petition for 2010 Stranded Cost Charge

Order *Nisi* Granting Petition

ORDER NO. 25,052

December 14, 2009

On November 16, 2009, 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, 2010. NHEC proposes to decrease the stranded cost charge from the current rate of 1.505 cents per kilowatt-hour (kWh) to 1.502 cents per kWh, which would result in a 0.02 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 \$97.47 to \$97.46, if there were no other changes to NHEC's rates.

On January 1, 2010, NHEC also plans to change certain other rates not regulated by the Commission. The likely result of these changes would be an increase to the average residential ratepayer's monthly bill to approximately \$97.54.

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 stranded costs to be collected in 2010 are approximately \$10 million, a decrease of approximately \$1 million from 2009. Although the overall costs are decreasing, NHEC estimates that at the end of 2009 it will have under-recovered

its stranded costs for the year by approximately \$540,000 due to a decrease in actual kWh sales for 2009. According to NHEC, mild weather and the weak economy resulted in lower actual 2009 kWh sales than forecast, resulting in the under-collection. NHEC plans to include the \$540,000 in the beginning balance in the calculation of the 2010 stranded cost charge.

Staff filed a memorandum on December 1, 2009 recommending approval of NHEC's proposed stranded cost charge rate of 1.502 cents per kWh beginning January 1, 2010, by order *nisi*. We have reviewed NHEC's filing and Staff's recommendation and find that the proposed change to the 2010 stranded cost charge is just and reasonable. We also note that, despite the adverse weather and weakened economy, NHEC is still scheduled to collect the remainder of its stranded costs, which originally were approximately \$121 million, by the end of 2011. *See* Order No 23,369 (December 20, 1999) 84 NH PUC 685.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the New Hampshire Electric Cooperative is authorized to change its Stranded Cost Charge effective with bills rendered on and after January 1, 2010, from 1.505 cents per kWh to 1.502 cents per kWh; and it is

FURTHER ORDERED, that NHEC shall 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 18, 2009 and to be documented by affidavit filed with this office on or before December 31, 2009; 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

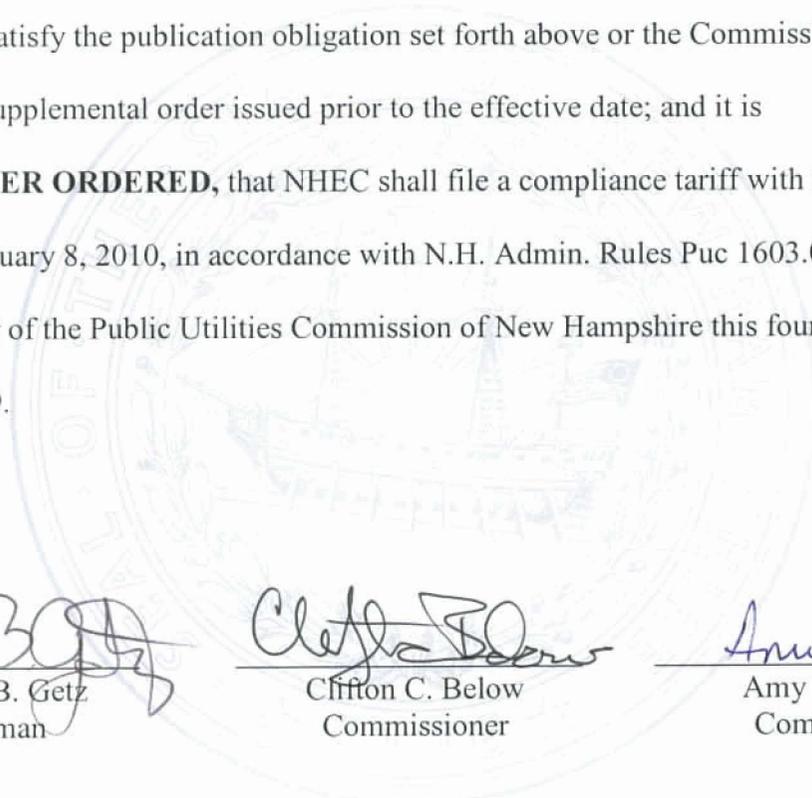
the reason and basis for a hearing no later than December 23, 2009 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than December 28, 2009; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective January 1, 2010, unless 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

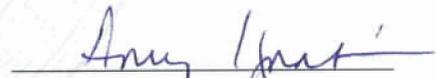
FURTHER ORDERED, that NHEC shall file a compliance tariff with the Commission on or before January 8, 2010, in accordance with N.H. Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this fourteenth day of December, 2009.




Thomas B. Getz
Chairman


Clifton C. Below
Commissioner


Amy L. Ignatius
Commissioner

Attested by:


Debra A. Howland
Executive Director