

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DE 11-215**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

**Proposed Default Energy Service Rate for 2012**

**Order Approving 2012 Energy Service Rate**

**ORDER NO. 25,313**

**December 30, 2011**

**APPEARANCES:** Gerald M. Eaton, Esq., and Sarah B. Knowlton, Esq., on behalf of Public Service Company of New Hampshire; the Office of Consumer Advocate by Meredith A. Hatfield, Esq., on behalf of residential ratepayers; and Suzanne G. Amidon, Esq., on behalf of Commission Staff

**I. PROCEDURAL HISTORY**

On September 23, 2011, Public Service Company of New Hampshire (PSNH or Company) filed a proposal to establish its default energy service (ES) rate to take effect for service rendered on and after January 1, 2012. Pursuant to RSA 369-B:3, IV(b)(1)(A), customers taking ES from PSNH are billed an ES rate equal to PSNH's actual, prudent and reasonable costs of providing power, as approved by the Commission. In its filing, PSNH provided an initial estimate of 8.39 cents per kilowatt hour (kWh) for the 2012 ES rate, but stated that a final proposed rate would be filed prior to the hearing to reflect the most recent estimates of fuel and energy costs. In support of its filing, PSNH submitted the testimony and related exhibits of Robert A. Baumann, Director of Revenue Regulation and Load Resources for Northeast Utilities Service Company (NUSCO). NUSCO provides centralized services to the Northeast Utilities operating subsidiaries, including PSNH.

The Commission issued an order of notice on October 5, 2011, scheduling a prehearing conference for October 17, 2011. On October 12, 2011, the Office of Consumer Advocate (OCA) notified the Commission of its participation on behalf of residential ratepayers consistent with RSA 363:28. On October 14, 2011, the Conservation Law Foundation filed a Petition to Intervene, which the Commission granted on October 20, 2011.

Also on October 14, 2011, PSNH filed an update of the ES rate with estimated costs of the wet flue gas desulfurization system (Scrubber Project) at Merrimack Station. In the update, PSNH claimed that the Scrubber Project began operation on September 28, 2011 and was used and useful as of that date. PSNH calculated that the then-current cost of the Scrubber Project would add 1.18 cents per kWh to the ES rate, and estimated the total ES rates for effect January 1, 2012 to be 9.57 cents per kWh, inclusive of the Scrubber Project costs. The updated filing included revised testimony of Robert A. Baumann and testimony of William H. Smagula, Director of Generation for PSNH. PSNH restated its intention to further update the ES rate based on more current forward market prices and Scrubber Project costs closer to the date of the hearing in this matter.

On October 19, 2011, Staff filed a proposed procedural schedule, which the Commission approved by secretarial letter dated October 20, 2011. The procedural schedule noticed a hearing for December 19, 2011.

On November 4, 2011, Commission Staff filed a letter requesting that the Commission either assign a separate docket for consideration of the Scrubber Project costs, or extend the time within the current docket for consideration of those costs. Staff indicated that all parties except PSNH agreed with its recommendations, while PSNH took no position but stated that it would file a response. In its November 4, 2011 response, PSNH said that while it agreed that the

prudence of and amount of Scrubber Project costs could be determined by the Commission in a separate docket, it would be in the best interest of PSNH customers to place the estimated Scrubber Project costs into ES rates as of January 1, 2012, to avoid deferral of approximately \$61 million in Scrubber Project costs that would accrue over the duration of a prudence review, which it estimated to be one-year.

On November 15, 2011, the Commission issued a secretarial letter stating that it would open a separate docket in which to consider the scrubber's in-service status, PSNH's prudence, the appropriate rate treatment and the costs of the Scrubber Project. The Commission said that the Company's October 14, 2011 filing would be treated as PSNH's petition initiating the separate docket, subsequently designated as Docket No. DE 11-250.

On November 16 and 17, 2011, PSNH filed motions for protective orders for information provided in response to certain data requests including: details concerning known supplemental power purchase contracts for the year 2012; information supporting the calculation of costs to comply with the New Hampshire Renewable Portfolio Standard (RPS) Law (RSA Chapter 362-F); and the dates and duration of planned maintenance outages at major generating stations during 2012.

Also on November 17, 2011, PSNH filed a motion for protective order regarding responses to Staff 1-15, which related to costs associated with the Scrubber Project. The OCA filed a letter on December 2, 2011, stating that the parties had agreed that certain discovery on the Scrubber Project propounded in the instant docket would be transferred to Docket No. DE 11-250, the docket designated for investigation of the Scrubber Project costs.

On December 14, 2011, PSNH filed a Motion for Postponement of the December 19, 2011 Hearings in the instant proceeding and in Docket No. DE 11-217, the docket to establish

PSNH's 2012 stranded cost recovery charge (SCRC) rate. The Motion was filed pursuant to a Request for Waiver of Puc 203.13(a). The Motion asserted that it is in the public interest to postpone consideration of the Company's ES rate and SCRC rate until a date close in time to the Commission's consideration of PSNH's request for temporary rates in the Docket No. DE 11-250 Scrubber Project docket.<sup>1</sup> PSNH recommended that the current ES rate of 8.89 cents per kWh be continued in the short term until review and Commission action occurs in the temporary rate portion of the proceeding in Docket No. DE 11-250.

On December 16, 2011, the Commission issued a secretarial letter stating that the hearings in Docket No. DE 11-217 and the instant proceeding would be held as scheduled, and notified the parties that the Commission would take up arguments on the Motion for Postponement at the outset of the hearing.

Following the hearing on December 22, 2011, PSNH filed a response to a record request made at hearing, reserved for identification as Exhibit 7. The Record Request sought the Company's legal and technical bases for its decision to change the average year of final retirement of certain generation plants, which resulted in a change to annual depreciation expense.

## **II. POSITIONS OF THE PARTIES AND STAFF**

### **A. PSNH**

In prefiled testimony, PSNH witness Robert A. Baumann stated that the Company's current ES rate of 8.89 cents per kWh was established by the Commission in Order No. 25,242 (June 28, 2011). Based on preliminary calculations, Mr. Baumann said that, for the period

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<sup>1</sup> PSNH's Motion stated that the proposed procedural schedule in Docket No. DE 11-250 included suggested hearing dates regarding temporary rates for February 15 and 16, 2012. The Company asked that the hearings in DE 11-215 and DE 11-217 be rescheduled to be close in proximity to the temporary rate hearing in DE 11-250 with the goal of having on simultaneous rate adjustment to be effective March 1, 2012.

January 1, 2012 through December 31, 2012, PSNH's prudent and reasonable cost of providing energy service was expected to be 8.39 cents per kWh. Mr. Baumann testified that this rate did not include an additional cost for the legislatively-mandated installation of the Scrubber Project at the Merrimack Station. At the time of the initial filing, PSNH expected to update its proposed ES rate calculation for January 1, 2012 billing, once the Scrubber Project was operating and reducing Merrimack Station emissions.

Mr. Baumann testified that the major cost categories comprising the ES costs are the revenue requirements for owned generation assets and the costs of purchased power obligations, the fuel costs associated with PSNH's generation assets, the costs from supplemental energy and capacity purchases, certain Independent System Operator-New England (ISO-NE) ancillary service charges and the cost of compliance with the New Hampshire RPS and the Regional Greenhouse Gas Initiative (RGGI). The generation revenue requirements include non-fuel costs of generation, including non-fuel operation and maintenance (O&M) costs, allocated administrative and general costs, depreciation, property and payroll taxes, and a return on the net fossil/hydro investment.

Mr. Baumann testified that the level of migration (the percentage of customer load receiving energy supply service from competitive suppliers) assumed in the Company's initial filing reflected the actual August 31, 2011 migration level of 33.4%. In proposing an ES rate for 2012, PSNH said it did not presume that customers will migrate more or less than the actual level.

PSNH included Independent Power Producer (IPP) generation as a source of power to meet PSNH's load requirements, and stated that IPP power costs are based on projected market costs for energy and capacity. PSNH said that the over-market costs of purchases from the IPPs

are recovered through Part 2 of the SCRC rate. As market prices change, the value of IPP purchases recovered through the ES rate changes. At the same time, however, there is a corresponding change to the SCRC rate for the above-market value of IPP purchases. To properly match the recovery of IPP costs, PSNH said it also separately filed for a change in the SCRC rate for effect on January 1, 2012 (Docket No. DE 11-217).

As provided in the procedural schedule, PSNH updated its ES rate calculations on December 14, 2011, which included a technical statement that explained the changes between the initial filing and the update. The update requested approval of an ES rate of 7.90 cents per kWh, a reduction of 0.49 cents per kWh from the energy service rate in the initial filing, and a reduction of 0.99 cents per kWh from the current rate of 8.89 cents per kWh. According to PSNH, the decrease in the ES rate calculated for 2012 was attributable to a reduction in the cost of power in updated actual costs and forecasted market prices along with a lower sales forecast and increased actual customer migration of 34.0%. Other factors contributing to the lower rate were lower expected O&M costs for 2012 due to fewer scheduled outages at PSNH's generation units, a one-time sale of excess coal resulting in \$5 million in additional revenue, a \$5 million reduction in depreciation based on the Company's recalculation of the useful life of several generation units, and a \$2 million lower return on rate base reflecting the latest actual debt service costs.

At hearing, PSNH reiterated the argument made in its Motion for Postponement regarding the merits of keeping the current ES rate of 8.89 cents per kWh in place until such time as the Commission arrived at a temporary rate associated with the Scrubber Project costs in Docket No. DE 11-250. According to PSNH, if the ES rate was decreased to 7.90 cents per kWh effective January 1, 2012 and the 1.18 cents per kWh requested by the Company as the

temporary rate for recovery of costs associated with the Scrubber Project was added to the rate shortly thereafter, it would result in a total ES rate of 9.08 cents per kWh. PSNH characterized these rate changes as volatile and not in customers' best interests.

By way of illustration, the Company depicted five rate scenarios to illustrate the ES rate trajectory over a twelve-month period based on different assumptions about timing of temporary rates for the scrubber. (Exh. 3)<sup>2</sup> At one extreme, PSNH assumed an ES rate 7.90 cents per kWh effective January 1, 2012 for the entire calendar year, which would result in a deferred balance of \$60 million by January 1, 2013. (Exh. 3, Case 1). In another scenario, PSNH assumed an ES rate of 7.90 cents per kWh for January 1, 2012 and an increase of 1.21 cents per kWh on March 1, 2012, the assumed effective date for temporary rates in Docket No. DE 11-250 (Exh. 3, Case 3); this scenario was undesirable, according to the Company, because it resulted in rates dropping almost a penny per kWh in January and increasing by just over a penny two months later, thus creating rate volatility for customers. The preferred scenario, according to PSNH, was to hold the current ES rate of 8.89 cents per kWh in place for the time being, and add the temporary rate for Scrubber Projects costs for a total ES rate of 9.15 cents per kWh effective March 1, 2012. (Exh. 3, Case 4). The Company argued that this last scenario provided the greatest benefits to customers by avoiding cost deferrals and that the resulting rates are consistent with the public policy goals of rate stability and continuity.

The OCA inquired as to a calculation on Exhibit 2, Attachment RAB-1, page 1. On that attachment, the OCA pointed out that there appeared to be an incorrect calculation and that the estimated ES rate of 7.90 cents per kWh should be 7.91 cents per kWh. The Company said that it had truncated the full calculation rather than rounding and that the appropriate rate is 7.91

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<sup>2</sup> At hearing, the Commission said that it considered Exh. 3 to be merely illustrative and that the Exhibit would not be used to form an opinion as to whether any costs associated with the Scrubber Project are prudent.

cents per kWh. In response to further questioning, the Company's witnesses said that the difference between the two rates was about \$500,000 in revenue over the period of 12 months.

At the close of the hearing, PSNH asked that the Commission grant the relief requested in its Motion for Postponement and allow the ES rate to remain at 8.89 cents per kWh until such time as the Commission rules on temporary rates for the Scrubber Project. PSNH said that such relief was consistent with the Commission's traditional treatment of capital additions in PSNH's annual ES reconciliation proceedings.

### **B. Conservation Law Foundation**

CLF argued in its closing that PSNH should not be allowed to include scrubber costs in the ES rate when those costs are being considered in a separate docket. According to CLF, PSNH's request largely relies on the ratemaking principles of rate stability and continuity but, in its view, the Commission should consider the policy in the State of New Hampshire that promotes competitive retail choice to customers rather than rate stability or continuity in determining the merits of PSNH's request.

CLF said that retail choice requires transparency in rates, and that allowing PSNH to "hide" what rates contain – in this case, some portion of the costs of the Scrubber Project— – hinders retail choice. Further, CLF said that because retail choice implies that customers do not have to take energy service from PSNH, no customer has the obligation to pay for the costs of the scrubber. CLF concluded by stating that PSNH should not be allowed to mask the scrubber costs in the ES rate, which is the intent of its proposal to continue rates at the current level.

### **C. OCA**

The OCA expressed agreement with CLF's position. The OCA noted the statutory basis for setting PSNH's ES rates, which provides that PSNH can only recover through rates "the



actual, prudent and reasonable costs of providing such power.” RSA 369-B:3, IV(b)(1)(A). The OCA also pointed out that the testimony supported the calculation of the ES rate to be 7.91 cents per kWh, not 7.90 cents per kWh as contained in the Company’s updated filing.

The OCA said that the Company’s proposal to include a temporary rate for the Scrubber Project in ES rates negates the effect of the Commission’s decision to open a separate proceeding on scrubber costs and costs recovery, and disagreed with the assertion that allowing PSNH to begin recovery of those costs with rates effective January 1, 2012 is in the best interests of customers.

#### **D. Staff**

Staff said that it had reviewed the filing and that PSNH had calculated the updated ES rate in a manner consistent with its practice in past ES rate proceedings. Regarding the merits of whether to keep the rate at its current level or to decrease it to the updated rate of 7.90 or 7.91 cents per kWh, Staff said that it did not have any particular recommendation but that reducing the ES rate to the most recent updated level was the purest approach. Staff said that if the current rate were to be kept in place, the primary consideration would be to apply any over-recoveries to the benefit of customers. Finally, Staff said that PSNH’s change in the useful lives of certain of its generating units warranted additional review and that such review could be accomplished in the Company’s annual reconciliation filing or in its usual mid-year request for an adjustment to ES rates.

### **III. COMMISSION ANALYSIS**

#### **A. Motions for Protective Treatment**

First we address PSNH’s requests for confidential treatment of certain information provided in response to data requests. Specifically, PSNH requested protective treatment for

responses to Staff 1-10, which provided information regarding details of the supplemental power purchase contracts entered into by PSNH for calendar year 2012; Staff 1-11, which described how PSNH planned to comply with its 2012 RPS requirements and provided a breakdown of associated costs; and Staff 1-8, which disclosed PSNH's 2012 major maintenance outage schedule. PSNH also requested confidential treatment for responses to Staff 1-15, which relates to Scrubber Project costs. Because we have opened a separate docket for consideration of the Scrubber Project, we will defer consideration of the request for confidential treatment for responses to Staff 1-15 to that proceeding.

PSNH claimed a privacy interest in the information provided in connection with each of these data requests. With respect to information regarding its proposed compliance with its 2012 RPS requirements provided in response to Staff 1-10 and the details of supplemental power purchase details provided in response to Staff 1-11, PSNH asserted that the information is confidential commercial information eligible for protection from public disclosure under RSA 91-A:5, IV. According to the Company, contracts with parties selling supplemental power and contracts for the sale of renewable energy certificates (RECs) for RPS compliance are kept confidential to protect both parties. PSNH said that release of this information would put PSNH at a disadvantage with respect to negotiations in the future with suppliers of supplemental power and RECs. Further, PSNH said that suppliers may not want to negotiate future supply contracts or RECs if they assume that the information in the final contract will be made public. According to PSNH, fewer suppliers means a less competitive market in which PSNH will procure RECs and supplemental power supplies. PSNH said that a similar motion was granted in a prior ES rate proceeding, citing Docket No. DE 10-257, *Public Service Company of New Hampshire*, Order No. 25,187 (December 29, 2010).

Staff 1-8 requested the Company's schedule for planned maintenance outages at its generating plants for calendar year 2012. According to PSNH, the dates and durations of scheduled plant outages are confidential commercial information potentially eligible for protection from public disclosure pursuant to RSA 91-A:5, IV. PSNH said that release of the information to the public, including competitive market participants, places PSNH at a distinct disadvantage when it plans to purchase energy to supply its customers during times when major generating stations are undergoing planned maintenance. The Company said that customers are harmed if the competitive market knows the distinct periods when PSNH must supplement its normal energy needs to replace the production from major generation stations. PSNH stated that this disadvantage will persist as long as PSNH is supplying energy service and as long as PSNH owns generation. PSNH noted that the Commission granted a similar motion in its 2010 ES rate setting proceeding, Docket No. DE 09-180, Order No. 25,061 (December 31, 2009).<sup>3</sup>

The Right-to-Know Law provides each citizen with the right to inspect public information in the possession of the Commission. RSA 91-A:4, I. We have had occasion to rule on motions for confidential treatment in the context of confidential, commercial, and financial information regarding utilities and their affiliates. *See, Unital Corporation and Northern Utilities, Inc.*, Order No. 25,014 (September 22, 2009) and *Public Service Co. of New Hampshire*, Order No. 25,037 (October 30, 2009).

Following the approach in these cases, we consider the three-step analysis applied by the New Hampshire Supreme Court in *Lambert v. Belknap County Convention*, 157 N.H. 375, 382

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<sup>3</sup> PSNH's motion referenced the 2010 proceeding, Docket No. DE 10-257, but referenced the order in Docket No. DE 09-180, the 2009 default service proceeding. The Orders in both dockets recognized the confidential nature of PSNH's proposed outage schedule for the forthcoming calendar year.

(2008) in determining whether the information identified by PSNH should be deemed confidential and private. First, the analysis requires an evaluation of whether there is a privacy interest at stake that would be invaded by the disclosure. If no such interest is at stake, the Right-to-Know law requires disclosure. *Id.* at 382-83. Second, when a privacy interest is at stake, the public's interest in disclosure is assessed. *Id.* at 383. Disclosure should inform the public of the conduct and activities of its government; if the information does not serve that purpose, disclosure is not warranted. *Id.* Finally, when there is a public interest in disclosure that interest is balanced against any privacy interests in non-disclosure. *Id.*

We have previously applied the analysis to the same types of information for which PSNH has requested confidential treatment in past ES proceedings. *See, e.g.,* Order No. 25,061 (December 31, 2009) in Docket No. DE 09-180 and Order No. 25,187 (December 29, 2010) in Docket No. DE 10-257. In the instant proceeding, we have reviewed *in camera* the responses to the data requests for which PSNH requests confidential treatment to assist in our deliberation of PSNH's motions for confidential treatment and we find that the information for which PSNH requests confidential treatment is confidential within the meaning of RSA 91-A:5, IV.

Next we assess the public's interest in the disclosure of the information. Some of the information for which PSNH seeks protection pertains to the costs incurred by the Company in connection with supplemental power supply and RECs contained in the responses to data requests Staff 1-10 and 1-11. PSNH uses these costs in the calculation of an estimated energy service retail rate and the public disclosure of these costs would allow for a detailed understanding of the various cost components in ES rates. Disclosure of those costs, however, sheds little light on the operation of government. As a result, we find that the public has a limited interest in the disclosure of this information.

Finally, in weighing the public interest in disclosure against privacy interest, we find that the harm to the Company and its customers from disclosure of this information outweighs the benefits of public disclosure. We therefore grant the motions for confidential treatment for the Company's responses to the data requests identified as Staff 1-10 and Staff 1-11.

In the case of the information regarding planned outages, Staff 1-8, PSNH stated that disclosure of this response would inform suppliers when PSNH would be looking to supplement its owned generation supply. If this information were made public, PSNH would be at a competitive disadvantage in securing supplemental power for the times when it needed supplemental power and would be impeded from providing service to its customers at reasonable rates. We find that disclosure of this information does not serve to inform the public concerning the rates reviewed in this proceeding and that disclosure could harm customers who may pay higher costs for replacement power if the outage schedule were disclosed. Therefore, we do not find that the public has an interest in disclosure of this information and grant the motion for confidential treatment to the response to data request Staff 1-8.

We note that the protection provided to the responses to Staff 1-10 regarding supplemental power purchases is limited by the reporting requirements of the Federal Energy Regulatory Commission (FERC). Pursuant to 18 CFR §35.10b, wholesale suppliers are required to file Electric Quarterly Reports (EQR) with FERC. In the EQR, suppliers must summarize contractual terms and conditions in their agreements for sales of wholesale electricity and transmission that is an unbundled part of a power sale. The reporting requirement applies to any unexpired agreement existing as of the reporting period. EQR data are public information and are not protected from disclosure. Therefore, the protective order we grant herein is in effect only until such time as the information provided in response to Staff 1-10 is disclosed by the

wholesale suppliers in the EQR reports. This limitation is consistent with prior rulings on the confidentiality of the terms of supplemental power sales. *See, e.g.* Order No. 25,167 (November 9, 2010) at 16. Similarly, while the response to Staff 1-11 provides details of PSNH's plan to procure RPS compliance for 2012, at some point in time the response to DR Staff 1-11 will be historical information that could be made available to the public upon request to the Commission.

Based on the foregoing analysis, and consistent with N.H. Code of Admin. Rules Puc 203.08(k), the confidential treatment provisions of this Order are subject to the on-going authority of the Commission, on its own motion or on the motion of Staff, any party or other member of the public, to reconsider this protective order.

#### **B. PSNH 2012 Energy Service Rate**

Pursuant to RSA 369-B:3, IV(b)(1)(A), the price of PSNH's ES shall be its "actual, prudent, and reasonable costs of providing such power, as approved by the commission." The genesis of the two-part procedure for calculating default service rates, which PSNH refers to as ES rates, and the reconciliation of those rates, lies in RSA 374-F and the Settlement Agreement in Docket No. DE 99-099, which implemented electric utility restructuring for PSNH, and Docket No. DE 02-166, Order No. 24,117 (January 30, 2003), which further refined the mechanism for setting transition service rates, now ES rates. Because PSNH is entitled to recover its *actual* costs of providing power and those costs cannot be known prior to providing that power, the Commission has adopted a two-step process for setting ES rates. The first step, which is determined in this docket, is based upon an estimate of future costs for the following calendar year. The second step, which occurs after the power has been produced or purchased

and delivered, involves reconciling the estimated rate with the actual costs and reviewing the prudence of those costs.

In its updated filing, PSNH estimated the actual cost of power for customers who continue to take electric service from PSNH to be 7.91 cents per kWh<sup>4</sup>, a reduction from the current rate of 8.89 cents per kWh, which is based on the lower actual and forecast cost of power, excluding recovery of Scrubber costs. At the same time, in its Motion for Postponement, PSNH requests that we allow the Company to hold the rate at its current level for the sake of rate stability and continuity in light of its requests for a temporary rate in Docket No. DE 11-250 and to begin recovering costs of the Scrubber Project with rates effective January 1, 2012.

To resolve PSNH's motion we must consider potentially competing policy goals, including the statutory guidance that PSNH's ES rate be its "actual" costs or providing power and the ratemaking principle of rate "[s]tability and predictability with a minimum of unexpected changes." PSNH Motion for Postponement at 3 (citations omitted). In that context, we are concerned about the volatility in rates that would result from decreasing the ES rate from 8.89 cents per kWh to 7.91 cents per kWh (a decrease of 0.98 cents per kWh) effective January 1, 2012, followed shortly by a substantial increase in rates of the magnitude sought by PSNH as temporary rates in Docket No. DE 11-250. At the same time, we are not inclined to maintain ES rates at their current level because they would be substantially in excess of actual costs and could arguably be construed to include costs of the Scrubber Project, which have been expressly reserved to Docket No. DE 11-250.

Based on the record before us in this docket, we have determined that there is an alternative approach that permits us to establish a cost-based rate at a level that can mitigate the effects of potential rate volatility. We begin the analysis with PSNH's December 14 updated

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<sup>4</sup> The rate of 7.91 cents per kWh assumes the elimination of the truncated calculation in PSNH's updated filing.

calculation of the estimated ES rate (Exhibit 2). PSNH calculates the ES rate as an average annual rate based on estimated forecasts of monthly energy costs and energy sales. PSNH's estimated monthly costs for January and February 2012 are 8.08 cents per kWh and 8.06 per kWh, respectively.<sup>5</sup> The resulting average energy service cost for these two months is 8.07 cents per kWh. On Attachment RAB-1, page 1 of Exhibit 2, PSNH's calculation of the ES rate for 2012 included an under-collection of \$2.155 million carried over from 2011. Recovery of this under-collection over the total forecasted retail megawatt-hour (MWh) sales of 888,372 MWh for the months January and February 2012, instead of over the entire year, would add an increment of 0.24 cents per kWh to the ES rate, resulting in a total ES rate for those two months of 8.31 cents per kWh. We also acknowledge that the level of temporary rates sought by PSNH in Docket No. DE 11-250 represents the extreme in potential rate volatility and that there are other conceivable temporary rate levels that could be set that would be more conducive to rate stability.

Based on this analysis, we deny the Company's motion to postpone changes to both the ES and SCRC rates and we approve an ES rate of 8.31 cents per kWh for the months of January and February 2012. This ES rate includes an additional charge to recover the existing under-recovery over this two month period as described above. We will keep this docket open and will consider any further adjustments to the ES rate that may be needed, for effect on March 1, 2012, pending our determination of a temporary rate in Docket No. DE 11-250.

With respect to the discussion at hearing about the Company's changes to the average year of final retirement for several of its generating units and agree that it warrants additional investigation, we direct Staff to promptly pursue this inquiry. Finally, we will grant the OCA's December 2, 2011 request to transfer discovery from the instant proceeding to Docket No. DE

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<sup>5</sup> Exhibit 2, Attachment RAB-2, Page 1 (line 28).



11-250 and suspend any applicable deadlines regarding motions to compel regarding the subject discovery requests with such issues to be addressed in that docket according to the approved procedural schedule.

**Based upon the foregoing, it is hereby**

**ORDERED**, that Public Service Company of New Hampshire's Motion for Postponement is DENIED; and it is

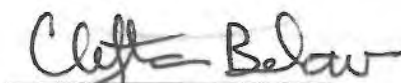
**FURTHER ORDERED**, that Public Service Company of New Hampshire shall establish an energy service rate of 8.31 cents per kWh for services rendered on and after January 1, 2012 until such time as the Commission approves any adjustment to that rate; and it is

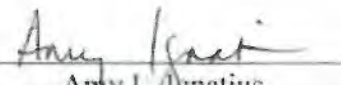
**FURTHER ORDERED**, that Public Service Company of New Hampshire's motions for protective treatment are hereby GRANTED subject to the conditions discussed herein; and it is

**FURTHER ORDERED**, that that Public Service Company of New Hampshire shall file tariffs pursuant to New Hampshire Code of Admin Rules Puc 1603 conforming to this Order no later than 30 days hereof.


By order of the Public Utilities Commission of New Hampshire this thirtieth day of December, 2011.

  
Thomas B. Getz  
Chairman

  
Clifton C. Below  
Commissioner

  
Amy L. Ignatius  
Commissioner

Attested by:

  
Debra A. Howland  
Executive Director

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 11-215-1 Printed: December 29, 2011

**FILING INSTRUCTIONS:**

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:  
DEBRA A HOWLAND  
EXECUTIVE DIRECTOR  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.