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November 6, 2013

HAND DELIVERED AND VIA EMAIL

Debra A. Howland, Executive Director & Secretary
New Hampshire Public Utilities Commission
21 South Fruit St., Suite 10
Concord, NH 03301-2429

Re: DE 12-295, the Petition of Power New England for Review of the Reasonableness of Certain Charges of Public Service Company of New Hampshire for Services to Competitive Suppliers – 2001 Commission Order

Dear Ms. Howland:

I am submitting this letter on behalf of the Retail Energy Supply Association, Electricity New Hampshire, LLC d/b/a E.N.H. Power, and North American Power and Gas, LLC, intervenors in this docket, and PNE Energy Supply LLC d/b/a Power New England, the petitioner. We recently became aware of a 2001 order of this Commission that is very relevant to the \$5 switching charge that is at issue in this docket and wanted to make sure that the Commission is aware of this Order. In Order No. 23,659, DE 00-269, 86 NH PUC 170, 177 (2001) where the Commission approved the retail delivery tariff of Public Service Company of New Hampshire (“PSNH”) to implement the restructuring settlement agreement, the Commission squarely addressed the \$5 fee and made the following statement:

We share the concern of GOECS [Governor’s Office of Energy and Community Services] that the current \$5.00 fee may not be cost-based, and should be designed to permit PSNH to recover its costs and nothing more. We expect to consider that question in the next rate case, and we also intend to revisit the issue of whether it is appropriate to impose this charge on the customer or the supplier.

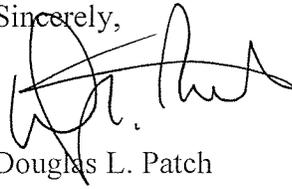
The next PSNH rate case was filed in 2003, DE 03-200. We have reviewed the final order in that docket, Order No. 24,369, 89 NH PUC 523 (2004) and could not find that this issue was addressed in that order. Our review of the prefiled testimony and attachments filed in that case did not reveal any specific reference to the \$5 charge. We note, however, that PSNH filed two distribution cost of service studies as attachments to the December 29, 2003 prefiled testimony of Charles R. Goodwin in that 2003 rate case. In other words, the very PSNH witness who, at the October 3, 2013 hearing in this docket, urged the Commission to wait for the next rate case and a cost of service study to evaluate the fee, disregarded the Commission’s very clear

expression of concern as long ago as 2001. In light of the language quoted above, we submit that PSNH was on notice in 2001 that the Commission had concerns about the \$5 charge not being cost-based and expected that the charge would be revisited in the next rate case. Nonetheless, PSNH apparently never addressed the issue in that next rate case even though it did conduct distribution cost of service analyses.

We submit that this order underscores the concerns we have expressed about this fee. We also believe it strengthens our argument that the Commission should prevent PSNH from continuing to charge this fee until the Commission determines that any form of the charge is just and reasonable and appropriate to impose on suppliers or customers, and that the company is only recovering its costs and nothing more.

Thank you for your attention to this matter. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Patch', written over a horizontal line.

Douglas L. Patch

DLP/gvb
Enclosures

cc: Service List in DE 12-295

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