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September 17, 2007

By First Class and Electronic Mail

Debra A. Howland,
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, N.H. 03301-2429



**RE: Comments of Wal-Mart Stores East, L.P.,
Investigation of EPAct Standards, Docket No. DE 06-061 (Rehearing)**

Dear Ms. Howland:

Enclosed for filing, please find the original and eight (8) copies of the Comments of Wal-Mart Stores East, L.P. and the Certificate of Service, which are filed in lieu of pre-filed testimony.

Kindly date stamp a copy of this cover letter and return to us in the enclosed self-addressed, stamped envelope.

Thank you for your attention to this matter.

Very truly yours,

Robert Shapiro
Karla Doukas

Enclosure
cc: Service List



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September 17, 2007

By Electronic and U.S. Mail

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
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Concord, NH 03301-2429

**RE: Comments of Wal-Mart Stores East, L.P.,
Investigation of EAct Standards, Docket No. DE 06-061 (Rehearing)**

Dear Ms. Howland:

Wal-Mart Stores East, LP (“Wal-Mart”) submits these comments in lieu of pre-filed testimony allowed by the Commission’s Order on Motion for Rehearing of Order No. 24,763 (Order No. 24,785) issued on August 31, 2007 in the above-captioned matter. Wal-Mart urges the Commission to pursue the implementation of appropriate time-of-use pricing structures, and in particular, real-time pricing (“RTP”) structures consistent with Commission’s mandate and the objectives of Section 1252 of the Energy Policy Act of (“EAct”) of 2005.

The Commission is on the right track in moving towards the implementation of time-of-use rates and RTP structures. In the very near future, if not already, National Grid will have the technical capability to offer RTP rates. The Commission’s continued efforts with all utilities in this regard are critical to making the necessary progress so that time-of-use pricing structures may be offered to all customers in New Hampshire. Wal-Mart is concerned that some of the existing programs, such as PSNH’s PeakSmart Program, are not adequate substitutes for time-of-use pricing mechanisms envisioned by the Commission. For example, even though a good first step, PSNH’s PeakSmart program is a limited demand-response management tool, not a rate incentive measure designed to achieve energy efficiencies and conservation measures on a long-term basis. The PeakSmart program is only offered from June through September, and only customers who can reduce their energy consumption by 100 kilowatts or 10 percent of their average monthly peak load, whichever is larger, during the PeakSmart program timeframe are eligible to participate. In contrast, RTP structures afford a wide array of customers the option of

adjusting their usage, which may have a significant, cumulative impact on minimizing environmental impacts of power generation and easing transmission congestion.

RTP provides the transparency necessary for promoting a competitive energy market and allowing consumers to see and pay prices that more accurately reflect the cost of providing them service. In particular, RTP benefits customers by sending marginal price signals, which have caused Wal-Mart to undertake a more detailed analysis of its electric load. In general, price signals have allowed Wal-Mart to manage its load by decreasing its electric energy usage during peak periods when system load and real-time prices are relatively high and increasing consumption during off-peak periods when system load and real-time prices are relatively low. With the appropriate metering equipment, Wal-Mart, as well as other large commercial customers, can respond to price signals simply by adjusting air conditioning and reducing lighting through energy management systems. Even relatively small adjustments, such as reducing air conditioning by 2-3 degrees, can have a significant effect.

Moreover, while RTP allows consumers to make decisions regarding when and whether to use electricity, which leads to lower energy costs, such pricing structures also may result in reduced need for peaking capacity and potentially reduced transmission congestion. Wal-Mart directs energy usage from a centralized energy management system for all of its facilities. When price signals rise high enough, or when otherwise directed, Wal-Mart can act quickly to reduce load for system reliability purposes.

RTP and appropriate time-of-use structures also promote industry growth and provide significant benefits to the economy. Business expansion provides economic benefits. For instance, in New Hampshire alone, Wal-Mart employs approximately 8,681 associates and supports another 12,180 supplier jobs. Wal-Mart plays a major role in New Hampshire's economy by spending \$134,987,099 for merchandise and services with 385 suppliers in the State of New Hampshire and paying more than \$17.2 million in state and local taxes in FYE 2007. Moreover, in 2006, Wal-Mart Stores and Sam's Club gave \$1,376,182 in cash and in-kind donations to local causes and organizations in the communities they serve in the State of New Hampshire. Through additional funds raised through Stores and Clubs throughout the state, Wal-Mart contributed and raised a grand total of \$2,227,989 as a direct result of its presence in New Hampshire.

Just as Wal-Mart has taken advantage of RTP tariffs in other states, Wal-Mart believes that a broad array of consumers can and will take advantage of and benefit from the offering of appropriate RTP and time-based rate schedules in New Hampshire. Large commercial customers are major consumers of energy and are sensitive to energy costs and environmental considerations. Yet too often, state regulators develop energy policies designed primarily to attract large manufacturing companies to their states, not fully recognizing the benefits that large commercial customers add to the economy. Certainly, industrial customers with manufacturing operations often utilize and stand to benefit from RTP tariffs. However, they are not the only consumers who can participate and provide benefits to the electrical system and the utilities. Large commercial customers, such as Wal-Mart, can and do react to pricing signals. Studies also show that smaller customers react to pricing signals. For instance, California residents effectively reduced energy consumption and lowered their energy bills by implementing smart thermostats. Thus, Wal-Mart believes that the implementation of appropriate RTP and time-of-

use rates will have a significant impact on energy conservation and the improvement of the environment, which, in turn, benefits all residents of New Hampshire.

Given these potential benefits, Wal-Mart submits that RTP and other appropriate time-of-use pricing structures should be available for basic/default service customers receiving generation services from the electric distribution companies. Wal-Mart believes that the customers, not the distribution companies, are in the best position to determine whether they have the ability and desire to take advantage of such pricing structures and should be afforded the opportunity to determine whether and how best to manage their electric energy needs to realize the greatest potential savings in their energy costs.

Moreover, the promotion of a competitive marketplace for advanced metering equipment is essential to maximizing customer participation and energy efficiency benefits. To this end, Wal-Mart encourages the Commission to adopt cost recovery requirements that do not have the effect of penalizing customers who obtain their own advanced metering systems or discouraging customers from purchasing meters in the competitive marketplace. Here, the Commission could either require utilities to: (a) include separate, optional metering service charges in their rates, or (b) provide a meter credit to offset the cost of meter ownership for customers who opt not to obtain their meters from the utility. Costs for advanced metering should not apply to customers who already have advanced meters installed or meters that will be installed in the future, provided those meters have capabilities that meet or exceed those planned for installation by the utility and which could interface and communicate with such planned utility AMI. Without a separate, optional metering charge or a reasonable competitive metering credit, customers who choose to purchase metering equipment will unfairly be charged for costs that are not incurred by the utility on their behalf and which are not needed to provide service to the customer.

Wal-Mart commends the Commission for its efforts undertaken in this docket thus far and hopes that the Commission will continue to move towards the implementation of an innovative RTP structure which promotes energy efficiency by changing the way consumers think about their energy purchases and usage. There is increasing evidence that atmospheric changes resulting from carbon dioxide emissions are having an influence on the climate through the enhanced greenhouse effect which threatens our environment, including businesses and communities, and the life support systems that sustain our world. Wal-Mart firmly believes that the future of our world depends on redesigning the current energy system. The implementation of appropriate time-of-use rates and RTP structures is a critical step in furthering these objectives.

Wal-Mart recognizes the Commission's interest in ensuring that this proceeding meets all procedural requirements. Wal-Mart is confident that the Commission can ensure that those requirements are met without sacrificing or compromising the important objectives espoused by the Commission in its June 22, 2007 Order.

Respectfully submitted,
WAL-MART STORES EAST, L.P.
By its attorneys,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Comments of Wal-Mart Stores East, L.P. were sent via electronic mail and/or first class mail, on the 17th day of September to all parties and staff appearing on the attached service list.

SIGNED under the pains and penalties of perjury.



Karla J. Doukas, Esq.

Dated: September 17, 2007

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Docket #: 06-061-1

Printed: 9/17/2007

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Docket #: 06-061-1 Printed: September 17, 2007

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