

Public Service Company of New Hampshire
Docket No. DE 06-061

Record Request HD-01
Dated: 10/10/2007
Q-RR-002
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Witness: Stephen R. Hall
Request from: New Hampshire Public Utilities Commission Staff

Question:
(Exhibit No. 4) - Request from Commissioner Getz - what is the status of the time-differentiated pricing dockets for PSNH affiliates CL&P and WMECO.

Response:

In Massachusetts, Docket DTE 06-101, Dynamic Pricing for Default Service, was initiated last October 31 at the request of the DOER. Comments were filed on November 28. WMECo recommended that it is worthwhile to determine, through a rigorous analysis, if any changes to pricing for customers are beneficial. WMECo also commented that if real-time pricing and time-of-use rates have not developed in the competitive market, the Department should proceed carefully before mandating an expansion of them in the regulated arena. There has been no activity in this docket since that date.

In Connecticut, TOU rates are mandatory for some classes and optional for other classes. Large commercial and industrial customers (greater than 350 kW demand) are currently required to take energy service under a TOU rate if they purchase generation supply through the electric utility's standard procurement. For smaller customers, TOU rates are optional and there is a plan to phase in mandatory rates based on monthly usage. Specifically, the largest residential customers (from 8,000 kWh per month eventually down to 2,000 kWh per month) and the next level of C&I customers (from 300 kW and higher eventually down to 100 kW and higher) will be required to take a TOU rate beginning in 2009. Also, a voluntary real-time pricing rate will be available to all customers in 2008. . This "variable peak pricing" (VPP) rate will modify the traditional on-peak TOU fixed rate to a daily on-peak rate based on the arithmetic average of the ISO-NE day-ahead prices.

The DPUC is considering the expansion of TOU rates and VPP rates on a voluntary or mandatory basis in several dockets which are currently open. The DPUC is reviewing technology requirements, projected costs and implementation schedules under a variety of scenarios. CL&P anticipates one or more draft decisions this in these matters this fall.

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Witness: Daniel S. Comer
Request from: New Hampshire Public Utilities Commission Staff

Question:
(Exhibit No. 5) - Request from Commission Staff - Please provide supporting documentation for the \$2 million estimate shown on Page 13, line 18 of PSNH's prefiled testimony dated September 17, 2007.

Response:
The LPB system modifications for time-of-use would involve the same core billing functions (e.g. rates maintenance, bill calculation, bill print, revenue reporting and EDI data exchange) that were part of the deregulation project that was implemented in 2001. From a project comparison perspective, modifying LPB for time-of-use would probably require a project at least 1/3 the size of deregulation. The attachment below provides a very rough estimate of the resources and time that we have assumed would be needed for the LPB modifications. However, it was developed absent any rate specifications, and therefore it is a guess at best.

PSNH Large Power Billing Estimate for TOU Pricing

*** DRAFT ***

Project	Estimated		Resource Costs & Allocation Level				
Activity / Task	Effort Weeks	Costs	PM	BASD	CBASD	DBA	LPBA
1. Project Scope & Business Requirements Definition	6	\$103,776	\$24,288	\$39,744	\$0	\$10,488	\$29,256
		Resource Level -->	1.0	2.0	0.0	0.5	2.0
2. Functional Specifications Development	8	\$97,888	\$32,384	\$26,496	\$0	\$0	\$39,008
		Resource Level -->	1.0	1.0	0.0	0.0	2.0
3. Technical Specifications Development	6	\$89,148	\$24,288	\$39,744	\$0	\$10,488	\$14,628
		Resource Level -->	1.0	2.0	0.0	0.5	1.0
4. Programming/Code Development	64	\$1,206,912	\$259,072	\$423,936	\$256,000	\$111,872	\$156,032
		Resource Level -->	1.0	2.0	1.0	0.5	1.0
5. Unit Test	8	\$170,368	\$32,384	\$52,992	\$32,000	\$13,984	\$39,008
		Resource Level -->	1.0	2.0	1.0	0.5	2.0
6. System Test	8	\$150,864	\$32,384	\$52,992	\$32,000	\$13,984	\$19,504
		Resource Level -->	1.0	2.0	1.0	0.5	2.0
7. System Integrated Acceptance Test	12	\$233,376	\$26,400	\$79,488	\$48,000	\$20,976	\$58,512
		Resource Level -->	1.0	2.0	1.0	0.5	2.0
8. Final Acceptance Test	6	\$127,776	\$24,288	\$39,744	\$24,000	\$10,488	\$29,256
		Resource Level -->	1.0	2.0	1.0	0.5	2.0
9. Documentation	2	\$39,096	\$8,096	\$13,248	\$8,000	\$0	\$9,752
		Resource Level -->	1.0	2.0	1.0	0.0	2.0
10. Training	2	\$12,972	\$8,096	\$0	\$0	\$0	\$4,876
		Resource Level -->	1.0	0.0	0.0	0.0	1.0
11. Implementation	2	\$46,088	\$8,096	\$13,248	\$8,000	\$6,992	\$9,752
		Resource Level -->	1.0	2.0	1.0	1.0	2.0
Sub Total:	124	\$2,278,264					
12. Contingency for Project Unknowns (25% of Sub Total Cost):		\$569,566					
Total:		\$2,847,830					

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PSNH Large Power Billing Estimate for TOU Pricing

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Project Resource Types & Cost Basis	Weekly Cost	Labor Loader Factor	Annual Cost (Loaded)				
Project Manager (PM):	\$2,200	1.84	\$210,496				
IT Developer (BASD):	\$1,800	1.84	\$172,224				
Contractor BASD (CBASD):	\$4,000	1.00	\$208,000				
Database Administrator (DBA):	\$1,900	1.84	\$181,792				
LPB Analyst (LPBA):	\$1,325	1.84	\$126,776				