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October 26, 2007

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St., Ste. 10
Concord, NH 03301



**Re: DE 06-061 EAct Standards on "Smart Metering"
Closing Statement of the OCA**

Dear Ms. Howland:

At the conclusion of the October 10, 2007 hearing in the above-referenced docket, the Commission provided for closing statements to be submitted no later than today. Please consider this letter as the Office of Consumer Advocate's closing statement.

The OCA appreciates the opportunity to participate in this docket and is pleased that the Commission is considering how to use "smart metering" technology as a tool to reduce demand for electricity in New Hampshire. The OCA shares the concerns raised by many parties on the disproportionate growth in electric system peaks driven primarily by the growth in air conditioning load, and supports the Commission's efforts to put policies in place to help address demand reductions. We believe that cost-effective programs that reduce our peak demand can provide cleaner and less expensive tools for meeting our electricity demands.

The OCA supports the proposals made by National Grid and Unutil to implement time-based pricing programs for their largest customers. However, we do not support National Grid's proposal to recover all of the costs of the program proportionally from all customer classes. Instead, we support Unutil's proposal to assign costs directly related to providing time of use metering to the large customer class only, while recovering other costs to develop processes that might later be applied to all classes from all customers.

With respect to PSNH, the OCA understands the unique considerations required due to PSNH's ongoing ownership of generation assets, and the purported limitations

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with respect to its meters and billing systems. However, we believe that cost-effective smart metering programs must be available to all customers in the state. As a result, we believe that PSNH should be required to develop a cost-effective program targeted at large customers, similar to those proposed by National Grid and Unitil.

The OCA believes that the Commission should not, at this time, mandate any time of use rates and metering for residential customers. However, the OCA supports efforts to test these strategies with smaller customers, and supports the creation of a working group to investigate whether metering would be cost effective for smaller customer classes. We think that such a working group could also review the existing time of use programs offered by each utility, and explore ways to increase enrollment in those programs.

In support of our position that more study is necessary prior to considering expansion of time of use programs for smaller customers, we direct the Commission's attention to Exhibit 27 and the testimony of National Grid's witness Peter Zschokke. Exhibit 27, submitted by National Grid, shows that the residential peak load periods are not coincident with the high summer peak times. Specifically, page 4 of Exhibit 27 shows the summer weekday system peak, upon which demand reduction typically focuses, occurring between 1 and 4 p.m. Page 3, reflecting the summer weekday peak per customer class, shows that the residential peak is later in the day, after the system peak. In addition, the OCA is concerned that, as stated by Mr. Zschokke, much of the residential peak reductions result from controlling central air conditioning. In New Hampshire, we do not yet know what percentage of the increase in the residential peak is driven by central air conditioning systems which can be controlled by smart meters, as opposed to window air conditioners, which are much more difficult to control. We believe that these types of issues would be appropriate for a working group to consider.

Thank you for the opportunity to provide these comments.

Sincerely,



Meredith A. Hatfield