

THE STATE OF NEW HAMPSHIRE

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October 9, 2013

Matthew J. Fossum, Esq.
Counsel
Public Service Company of New Hampshire
P.O. Box 330
Manchester, New Hampshire 03105-4330

Re: DE 13-215, Public Service Company of New Hampshire
Request for Waiver of Puc 305.03

Dear Mr. Fossum:

On July 24, 2013, you filed on behalf of Public Service Company of New Hampshire (PSNH) a request for waiver of certain requirements of N. H. Code Admin. Rules Puc 305.03 relative to testing schedules for watt-hour meters and demand devices. As part of a transition to Automated Meter Reading (AMR) in its service territory, PSNH will replace approximately 540,000 customer meters over a 3 year period beginning in 2013 with AMR meters that can be remotely read. PSNH stated that the new meters are tested and calibrated before going into the field by the manufacturer and, following installation, PSNH will test a sample of the meters pursuant to Puc 305.02. PSNH requested that the Commission waive the test schedule for watt-meters and demand devices set out in Puc 305.03 during the transition period and allow the Company to resume regular testing on the schedule required by Puc 305.03 in October of the year following completion of the AMR meter installation.

According to PSNH, the purpose of the testing schedule required by Puc 305.03 is to ensure that the Company will inspect and test its installed meters on a regular basis to confirm that the meters are working properly and to repair or remove from service any meters that are not working properly. Because the existing meters will be replaced as part of the transition to AMR meters, PSNH argued that testing meters during the transition would serve no purpose. PSNH avers that granting a waiver of Puc 305.03 is in the public interest because there are no affected proceedings before the Commission, the entire fleet of meters is being replaced with new meters, and all meters will be subject to manufacturer inspection in the field.

October 9, 2013

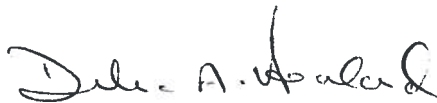
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On September 20, 2013, Staff filed a recommendation in support of PSNH's request for waiver but expressed concern about the benefit/cost analysis that the Company conducted in connection with its decision to replace current meters with AMR meters. Further, Staff opined that PSNH did not thoroughly consider alternatives to the AMR meters, such as newer meter technology that could be integrated in an outage management system. Staff also noted that the Company did not consider moving to advanced metering infrastructure (AMI) when it planned replacement meters, but instead selected meters with limited capabilities of remote meter reading, shut-offs and reconnects. Further, Staff observed that the AMR system will not be able to adapt to further technological advances and would not be able take advantage of potential benefits of a "smarter grid." Staff stated that although the selection of the meter system is in the province of utility management, PSNH will bear the burden of demonstrating that the decision was appropriate when it seeks to recover the associated costs from customers.

On September 25, 2013, the Office of the Consumer Advocate filed a letter in which it took no position on the waiver request but stated that it shared Staff's concerns, particularly insofar as it appeared that the AMI meters would not have the flexibility to offer customers time-based or real time pricing.

Having reviewed PSNH's request, Staff's recommendation and the OCA's filing, the Commission has determined, pursuant to Puc 201.05, that the applicable standards for a waiver are satisfied and that granting a waiver of Puc 305.03 as described above is consistent with the public interest. PSNH should be aware, however, that the decision whether to waive a rule is not the equivalent of a prudence determination. The prudence of installing AMR meters will be considered if and when PSNH seeks recovery of associated costs from its customers. Commissioners Ignatius, Harrington and Scott participated in the decision.

Sincerely,

A handwritten signature in dark ink, appearing to read "Debra A. Howland". The signature is fluid and cursive, with a large initial "D" and a stylized "H".

Debra A. Howland
Executive Director

cc: Service List (electronically)

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 #: 13-215-1 Printed: October 10, 2013

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
EXEC 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.