

DE 00-268

CONNECTICUT VALLEY ELECTRIC COMPANY

**Proposal for 2001 Conservation & Load Management
Percentage Adjustment**

Order Approving Percentage Adjustment

O R D E R N O. 23,605

December 22, 2000

On December 1, 2000, Connecticut Valley Electric Company Inc. (CVEC) filed with the New Hampshire Public Utilities Commission (Commission) a Proposal for 2001 Conservation & Load Management Percentage Adjustment (C&LMPA). The C&LMPA is the surcharge mechanism approved by the Commission to allow CVEC to recover costs related to its Conservation and Load Management (C&LM) Program. Previously, by Order No. 22,536, Re Connecticut Valley Electric Company, Inc. 82 NHPUC 298 (1997), the Commission allowed CVEC to ramp down its C&LM Program during 1997. All projects were completed in the first quarter of 1998. No C&LM programs have been offered since.

By Order No. 23,360, Re Connecticut Valley Electric Company, Inc. 84 NHPUC 665 (1999) the Commission allowed CVEC to recover costs related to its C&LM Program. The current C&LMPAs recover only administrative costs and net revenue loss plus prior year over/undercollections and interest.

C&LMPAs are calculated as a percentage of total estimated revenues for the period over which they will be charged. CVEC states that the filing would decrease the C&LMPA rate for residential customers from 0.40% to 0.18% and for commercial/industrial customers from 0.50% to 0.40%.

CVEC is not proposing to reintroduce C&LM programs for 2001. However, CVEC did actively participate in the New Hampshire Energy Efficiency Working Group (Working Group) formed as part of Docket DR 96-150, Restructuring New Hampshire's Electric Utility Industry. On July 6, 1999, the Working Group filed with the Commission the *Report to the New Hampshire Public Utilities Commission on Ratepayer-Funded Energy Efficiency Issues in New Hampshire*. On November 1, 2000, the Commission issued Order No. 23,574 in Docket DR 96-150 addressing the Working Group's recommendations. Among the Commission's directives in Order No. 23,574, the Commission instructed New Hampshire's jurisdictional electric utilities to develop a statewide set of core energy efficiency programs. CVEC states in its filing that CVEC will work with the parties to implement practicable programs in CVEC's service territory; however, CVEC stated that its participation under Order No. 23,574 does not waive any of its claims in the federal court litigation Patch vs. Public Service Co. of N.H., et. al, No.

97-97-JD (D.N.H.), No 97-121-4 (D.R.I.), including, but not limited to the validity and enforceability of the District Court's stay of the Commission's implementation of its restructuring plan.

We have reviewed CVEC's request. We find the C&LMPAs adequate to fund CVEC's ongoing administrative costs and to recover net loss revenues. Further, we encourage CVEC to participate in the development of the core programs by the utilities to ensure that the core programs can be delivered equitably and efficiently within CVEC's service territory. We note that ISO-NE has developed and continues to work on implementing a Load Response Program, by which utilities and others can enlist participation by customers to reduce load particularly at peak periods, thus helping the New England markets amid price spikes and reliability concerns. Our approval of the schedule for filing core programs in May, 2001 is not meant to relieve CVEC of its responsibility to address load response opportunities in its service area. See Secretarial Letter dated December 18, 2000 in DR 96-150.

Additionally, we waive the application of N.H. Admin. Rules, Puc 1203.05(a), which requires generally that rate changes be implemented on a service-rendered basis, and will allow CVEC to implement its C&LMPAs on a bills-rendered basis. This waiver,

pursuant to Puc 201.05, produces a result consistent with the principles embodied in Puc 1203.05(b), which sets forth exceptions for allowing rate changes on a bills-rendered basis, and is in the public interest because it eliminates customer confusion and reduces administrative costs.

Based upon the foregoing, it is hereby

ORDERED, that the following Conservation and Load Management Percentage Adjustments are APPROVED effective January 1, 2001 on a bills-rendered basis:

Residential C&LMPA @ 0.18% and
Commercial/Industrial C&LMPA @ 0.40%;

and it is

FURTHER ORDERED, that CVEC shall file a compliance tariff with the Commission on or before January 1, 2001, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this twenty-second day of December, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary