

DE 01-231

CONNECTICUT VALLEY ELECTRIC COMPANY

**Proposal for 2002 Conservation & Load Management
Percentage Adjustment**

Order Approving Percentage Adjustment

O R D E R N O. 23,886

December 31, 2001

On November 30, 2001, Connecticut Valley Electric Company Inc. (CVEC) filed with the New Hampshire Public Utilities Commission (Commission) a Proposal for 2002 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. By Order No. 23,605 (December 22, 2000), the Commission continued to allow CVEC to recover C&LM Program related costs. 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 increase the C&LMPA rate for residential customers from 0.18% to 0.21% and for commercial/industrial customers from 0.40% to 0.57%.

CVEC has not yet proposed a portfolio of C&LM programs for 2002. Following directives instructing New Hampshire's jurisdictional electric utilities to develop a statewide set of core energy efficiency programs as delineated in the Commission's Order No. 23,574, CVEC, along with the other New Hampshire electric utilities, filed a joint petition with the Commission for approval of a set of core energy efficiency programs in docket DE 01-057. On November 29, 2001, in Order No. 23,850, the Commission approved a Settlement Agreement concerning these programs and directed CVEC, among others, to make their Core Energy Efficiency Program filing on or before February 27, 2002. If the Commission subsequently approves C&LM programs proposed by CVEC in Dockets DR 96-150 and DE 01-057, then CVEC may file for approval and recovery via an interim 2002 C&LMPA.

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.

The effect of the proposed increase on a 500 kWh residential bill amount of \$72.55 would be an additional \$0.03 under the proposed C&LMPA. This bill amount is computed using the proposed 2002 Fuel Adjustment Charge (FAC) and Purchased Power Cost Adjustment (PPCA) rates as filed with the Commission by letter dated November 15, 2001.

We have reviewed CVEC's request. We find the C&LMPA adequate to fund CVEC's ongoing administrative costs and to recover net lost revenues. We will await CVEC's proposal for implementation of core programs, after which the C&LMPA may be adjusted to recover actual program implementation costs.

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&LMPA 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, 2002 on a bills-rendered basis:

Residential C&LMPA @ 0.21% and
Commercial/Industrial C&LMPA @ 0.57%;

and it is

FURTHER ORDERED, that CVEC shall file a compliance tariff with the Commission on or before January 14, 2002, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this thirty-first day of December, 2001.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Kimberly Nolin Smith
Assistant Secretary