

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 08-016

GRANITE STATE ELECTRIC COMPANY

Tariff Revision Regarding Daylight Savings Time for 2008

Order Approving Tariff Revision

ORDER NO. 24,829

March 7, 2008

On February 7, 2008, Granite State Electric Company d/b/a National Grid filed proposed revisions to its tariff, the purpose of which is to change the definition of peak and off-peak hours when charging rates that vary by time of use. National Grid proposed the revisions in response to the enactment of the federal Energy Policy Act of 2005 (EPAAct). An EPAAct provision changed the beginning and end dates of daylight savings time as of 2007.

Pursuant to EPAAct, daylight savings time begins three weeks earlier in the spring, and one week later in the fall. National Grid explained that the internal clocks in its time-of-use meters, used to measure peak and off-peak electricity consumed, are currently programmed to the pre-EPAAct daylight savings time schedule. According to the company, to record peak and off-peak hours correctly for the four weeks at issue, National Grid could either (1) manually reprogram the meters at an expense of approximately \$161,000 to coordinate the meters with the EPAAct daylight savings time hours, or (2) amend its tariff to reflect the additional weeks when daylight savings time would apply. National Grid chose to amend its tariff in lieu of reprogramming the meters because Congress reserved the right to revert to pre-EPAAct daylight savings time, and if Congress chooses to revert to the pre-EPAAct daylight savings time hours, National Grid would, again, have to reprogram the meters at additional cost. Therefore, to communicate the correct

billing periods to customers correctly, National Grid revised the definition of the peak and off-peak hours in its tariff. The company noted that the Commission approved the same revisions to National Grid's tariff for the calendar year 2007. *See Granite State Electric Company*, Order No. 24,729 (February 9, 2007). National Grid also noted that the EPAct 2005 requires the Secretary of Energy to report on the energy consumption impact of the changed daylight hours and that, as of its filing, the report had not been published.

In the proceedings that led up to Order No. 24,729, National Grid stated that approximately 1,610 customers take service under time-of-use meters and all those meters would have to be reprogrammed for the new daylight savings time schedule. Of these customers, the company said that 940 receive service under Rate D, 560 receive service under Rate D-10, and 117 receive service under Rate G-1 (large commercial and industrial). According to National Grid, these numbers remain unchanged.

In response to data requests from Staff, National Grid stated that, if the meters had to be reprogrammed, it would recover these costs from all customers, in accordance with the exogenous events provision in the settlement agreement approved by the Commission *National Grid USA*, Order No. 24,777 (July 12, 2007), which approved National Grid's acquisition of the gas utility KeySpan. National Grid stated that Section 2(B) of the approved settlement agreement allows National Grid to adjust its distribution rates if the occurrence of a "Federally Initiated Cost Change" causes a change in National Grid's annual revenue requirement by more

than \$100,000.¹ It contends that such an occurrence would be treated as an exogenous event. The settlement agreement provides that any adjustments to rates pursuant to the exogenous events provision may be recovered from all customer classes based upon kilowatt-hour (kWh) deliveries during the year in which the amounts accrued and shall be collected through a uniform and fully reconciling surcharge. Based upon the allocation methodology and the total number of kWhs sold to National Grid's retail customers in 2007, customers would be charged an additional \$0.00021 per kWh for the cost of reprogramming the meters.

Staff recommended approval of the tariff changes in a memorandum filed on March 5, 2008. According to Staff, given the uncertainty associated with the new daylight savings time schedule and the fact that resetting affected time-of-use meters would require deployment of resources and funds, National Grid's alternative of redefining peak and off-peak in its tariff is reasonable. Therefore, Staff recommended the Commission approve National Grid's request to revise its definition of peak and off-peak hours. Staff further recommended that the Commission require National Grid to report to the Commission by August 1, 2008, or when the Department of Energy study is released, if earlier, as to whether the company will pursue resetting all its affected time-of-use meters for daylight savings time in 2009.

We have reviewed the proposed tariff revisions and Staff recommendations and find that they are reasonable under the circumstances. We also find reasonable Staff's recommendation that the Company provide an appropriate status report by August 1, 2008. In addition, we reserve our right to determine, at a later time, whether EAct 2005 constitutes a new federal

¹ Pursuant to the settlement agreement, a "Federally Initiated Cost Change" means: "(i) any externally imposed changes the federal tax rates, laws, regulations or precedents governing income, revenue, or sales taxes or any change in federally imposed fees; and (ii) any federal legislative or federal regulatory mandates which impose new obligations, duties or undertakings which individually decrease or increase Granite State's cost, revenues or revenue requirements."

mandate that may be covered under the “exogenous events” provision of the settlement agreement approved in Docket No. DE 06-107. Accordingly, we approve the tariff revisions.

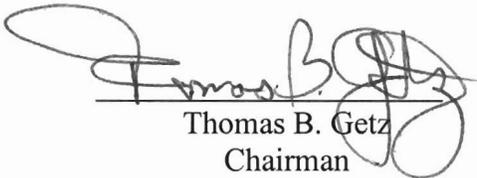
Based upon the foregoing, it is hereby

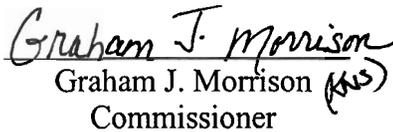
ORDERED, that Granite State Electric Company d/b/a National Grid’s petition to change its tariff provisions to amend the definitions of peak and off-peak hours for calendar year 2007 to comport with EPAct change to the duration of daylight saving time is hereby APPROVED; and it is

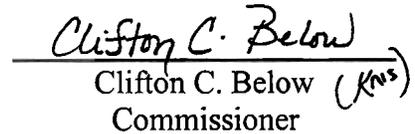
FURTHER ORDERED, that National Grid shall report to the Commission by August 1, 2008 the status of the report by the Secretary of Energy regarding the energy consumption impact of the new daylight savings time hours and whether National Grid intends to seek another tariff amendment for 2009; and it is

FURTHER ORDERED, that National Grid shall file a compliance tariff with the Commission on or before March 21, 2008, in accordance with N.H. Admin. Rules Puc 1603.02(b).

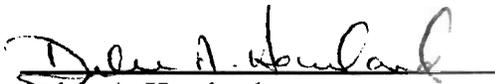
By order of the Public Utilities Commission of New Hampshire this seventh day of March, 2008.


Thomas B. Getz
Chairman


Graham J. Morrison (KMS)
Commissioner


Clifton C. Below (KMS)
Commissioner

Attested by:


Debra A. Howland
Executive Director & Secretary

ALEXANDRA E BLACKMORE
GRANITE STATE ELECTRIC COMPANY
25 RESEARCH DRIVE
WESTBOROUGH MA 05182

03/07/08 Order No. 24,829 issued and forwarded to all parties.
Copies given to PUC Staff.

Docket #: 08-016 Printed: March 07, 2008

**FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),
WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:**
DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429