

THE STATE OF NEW HAMPSHIRE  
before the  
PUBLIC UTILITIES COMMISSION

Repromulgation of NH PUC Chapter 2000  
Competitive Electric Supplier and Aggregator Rules

Docket No. DRM 10-104

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE'S WRITTEN COMMENTS

Pursuant to the Commission's Order of Notice in this proceeding, Public Service Company of New Hampshire ("PSNH" or "the Company") hereby submits its comments on the Commission's Initial Proposal dated May 13, 2010.

1. Puc 2003.03 Maximum Limit on Financial Security At the public hearing on July 15, 2010, PSNH raised the issue of whether the maximum level of financial security required by Puc §2003.01(d)(4) should be raised from the current requirement of no more than \$350,000. *See*, proposed rule Puc §2003.03(a)(3). The rules do not explain what the purpose of the financial security is; however, PSNH has some recent experience which may provide the Commission with a perspective.

The proposed rule provides in part:

Puc 2003.03 Reporting and Financial Requirements of Competitive Electric Power Suppliers

(a) The security required by Puc 2003.01(d)(4) shall:

- (1) Be in the form of a surety bond or other financial instrument showing evidence of liquid funds, such as a certificate of deposit, an irrevocable letter of credit, a line of credit, a loan or a guarantee;
- (2) Be the greater of:
  - a. \$100,000.00;
  - b. 20% of the CEPS's estimated gross receipts for its first full year of operation, not including revenue from the provision of default service, for a CEPS's first year of operation; or
  - c. 20% of the CEPS's actual gross receipts for the preceding year of operation, not including revenue from the provision of default service, for any year after the first year of operation;
- (3) Not exceed \$350,000.00;

The maximum financial security amount of \$350,000 represents 20% of \$1,750,000. Currently more than five thousand delivery service customers of PSNH take service from competitive suppliers representing more than thirty percent of PSNH's total retail customers' load. Based upon recent experience with migration, the three largest suppliers for whom PSNH provides collection services will each substantially exceed the \$1,750,000 in annual sales unless the market turns and customers return to PSNH's Default Energy Service. Depending on the purposes for which the Commission intends to use the financial security, the Commission may want to increase the \$350,000 limit.

2. Puc 2004.07 Notice of Termination of Service and Off Cycle Meter Readings

The current rule (Puc 2004.06 (a)) requires the CEPS to provide written notice of termination to its customers. Subsection (b) in the current rule provides "Nothing shall prevent a CEPS from requesting an off-cycle meter reading." The utility could probably accommodate a single request in the normal course; however, PSNH's tariff requires enrollment and termination of service with a competitive supplier to take place on a regular meter reading date, provided the notice of enrollment or termination has been supplied to PSNH at least two business days before the scheduled meter reading date. Tariff No. 8 - Electricity Delivery, Original Pages 36 and 37. The current rule suggests that the CEPS could request and PSNH may accommodate an off-cycle meter reading for termination of service; however, PSNH is not required to perform either service under the current rule or the express terms of its tariff.

The proposed rule provides as follows:

- (b) Nothing shall prevent a CEPS from requesting an off-cycle meter reading.
  - (1) In requesting an off-cycle meter reading, a CEPS:
    - a. Shall give at least 5 days' written notice to the utility;
    - b. May be subject to a reasonable charge from the utility for such reading. The charge shall not exceed the charge for performing an off-cycle meter reading for the utility's customer as defined in the utility's tariff.
  - (2) The utility may deny any request for an off-cycle meter reading if proper notice as described in (1)a. above is not provided.

The proposed change strongly suggests that the only reason a utility may deny a request for an off-cycle meter reading is if there was inadequate notice. Because this rule is contained in the section regarding Termination of Service, there is also a strong inference that a request for an off-cycle reading will also be associated with a termination of service. PSNH is already prepared to make changes in service, enrollments or terminations, on the customer's scheduled meter reading date as the Company's tariff provides for such changes on the meter reading date. PSNH is not prepared to make whole scale changes off cycle.

Most customers who have currently opted for competitive supply are large customers with over 100 kilowatts of demand. The customers in Rates GV and LG have automated meters; however, most of those meters are read by meter readers. Small commercial and residential customers' meters are all read by meter readers. PSNH can charge thirty-five dollars to establish or reestablish Delivery Service to a residential or small commercial customer which may recover the cost, on average, of sending a meter reader to perform an off-cycle reading (Tariff No. 8 - Electricity Delivery, Original Pages 43 and 53). This charge in PSNH's tariff is for changes in Delivery Service and may not apply to an off-cycle change from one CEPS to another CEPS or from competitive service to Default Energy Service following an off-cycle meter reading. PSNH's tariff no similar charges for an off-cycle meter reading rate GV and LG.

Should competitive electric suppliers begin to serve many residential and small commercial customers, PSNH's meter reading schedules may not allow for multiple off-cycle readings without incurring overtime or jeopardizing the timely reading of all other customers' meters on cycle. Similarly if a customer with multiple accounts, such as a cable television provider, a telecommunications utility provider or large municipality, were to request through a new CEPS to have all meters read off-cycle on the same day, PSNH would not be able to accommodate such a request. Certain months such as February and November with fewer business days and at least one holiday make it difficult to meet the meter reading

schedules. When meter readers are shifted to storm duty, there are further strains on completing all meter reading routes on a monthly basis. In addition to the effect on meter reading functions from off-cycle requests, there would be several tasks in the billing and customer accounting areas that would also need to be performed for each off-cycle meter read in order to drop the customer, transfer to another supplier, or return the customer to default energy service from PSNH.

As stated above, PSNH is already prepared to make changes in service, enrollment or termination, on the customer's meter reading date as the Company's tariff provides for such changes on the meter reading date. Whole scale changes (enrollments or drops) requested off-cycle could present problems for PSNH departments as well as meter reading. There would be more human involvement with inputting these changes to the billing system out of the normal course

PSNH suggest that the proposed rule be changed to provide the following:

Puc 2004.07 (b)(2) The utility is permitted to deny any request for an off-cycle meter reading if:

- (a) Proper notice as described in (1)a. above is not provided;
- (b) The off-cycle reading cannot be readily accommodated in the utility's normal meter reading schedule; or
- (c) The off-cycle reading is combined with a request to add or drop service from the CEPS to the customer between meter readings which the utility is not required to perform by its tariff or by agreement with the CEPS outside of the normal billing cycle.

Respectfully submitted,

Public Service Company of New Hampshire

July 22, 2010  
Date

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CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached Written Comments to be served pursuant to N.H. Code Admin. Rule Puc §203.11.

July 22 2010  
Date

Gerald M. Eaton  
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