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December 28, 2012

Debra Howland, Executive Director
N.H. Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429



Re: DE 12-274 Southwestern Community Services
Request for Waiver of Puc Master Metering Rule

Dear Ms. Howland:

Staff recommends that the docket be closed. Wiring and meter sockets have already been installed at the Facility. As a result, there is no existing dispute between Southwestern and PSNH and in Staff's view it is not necessary for the Commission to further review or act on the waiver request.

Background

On August 23, 2012, Southwestern Community Services (Southwestern), a multi-purpose non-profit community action agency serving Cheshire and Sullivan Counties, submitted a request for a waiver of N.H. Code Admin. Rules Puc 303.02 (master metering) in connection with the Second Chance Transitional Housing Facility (Facility) being developed by Southwestern at 881 Marlborough Road in Keene, NH. Southwestern stated that it is the sole provider of emergency and transitional housing for homeless individuals and families in those counties and is the owner of the Facility. Public Service Company of New Hampshire (PSNH) is Southwestern's electricity distribution company for the Facility.

According to the request, the Facility is designed to house formerly incarcerated individuals recently released from the Cheshire County House of Correction. These individuals will be deemed to be homeless upon release. Occupancy is expected to be between three and eighteen months for the majority of the program's participants.

Southwestern requested a waiver of the master metering rule to enable it to install a single meter socket at the Facility. Due to the high frequency of turnover, the lack of viable employment for most residents and the overall nature and design of this Facility, Southwestern intends to provide and pay for all utilities serving this facility, including electricity.

In response to questions about the Facility, Staff received additional information. Southwestern stated that the Facility will consist of six two bedroom units built on two floors. These are designed for independent living, each having its own kitchen, bath and bedrooms. Tenants will be required to sign a six-month lease, but the typical resident is expected to occupy the facility for a period between three and eighteen months. According to Southwestern, none of the occupants of any unit receiving electric service will have temperature control over any portion of electric space heating, electric air conditioning or electric water heating service.

PSNH indicated that it did not object to master metering the Facility for billing purposes if it is used for the purposes described by Southwestern. However, PSNH stated it did object to Southwestern's request to install a single meter socket on the ground that the company needs to have the ability to individually meter the units should the use change in the future.

Staff asked PSNH to explain why the company's position in this docket is consistent with PSNH's historical policies and practices, given that it jointly petitioned for a waiver of Puc 303.02 in docket DE 10- 067 to permit master metering of a subsidized elderly housing project involving another community action agency and given PSNH's description of its historical policies in docket DE 10-329.

In summary, PSNH stated that this project differs from the situation in DE 10-067 in that construction in this case is still underway where it had already been completed when the waiver request was filed in DE 10-067; the cost of retrofitting the apartments with individual meters was approximately \$52,000 in DE 10-067 where here no retrofitting is necessary to accommodate individual metering in the future if the use of the Facility were to change; and in DE 10-067, the Commission granted the use of master metering "subject to the qualification that The Village at Pembroke Farm put any successor on notice, in a writing recorded in the County Registry of Deeds, that it may have to install separate meters upon the transfer of ownership or control" whereas in the instant case, since the Facility is still under construction, PSNH has taken the position that the Facility be pre-wired to allow individual metering in the future if its use changes. In addition, PSNH stated that DE 10-329 is inapposite to the instant situation because of the Commission's finding in Order No. 25,222 that rejected a waiver from Puc 302.02 and limited PSNH's tariff language concerning master metering "to new or newly renovated multi-family apartment buildings."

PSNH stated, nevertheless, that it views the Facility as falling within the "hotels, motels, dormitories" exception of Puc 303.02(c) in light of the description of Facility as a "transitional facility; a 'group-home type facility'; a facility that will house 'homeless' individuals; with the majority of occupancies to 'be between three and eighteen months.'" PSNH concluded that it is appropriate to require the installation of the requisite wiring and meter sockets while the building is under construction in order to accommodate individual metering in the future if the Facility's use changes, and stated that doing the necessary wiring at this time, while construction is on-going, should not be burdensome or expensive.

Discussion and Recommendation

The current Master Metering rule provides:

Puc 303.02 Master Metering.

- (a) A utility shall install master metering of electric service consistent with its tariffs if the installation is consistent with the International Energy Conservation Code 2000 as adopted in RSA 155-A:1,IV, except as set forth in (b) below.
- (b) No utility shall install master metering at a multi-tenant building containing any residences if the occupants of any unit receiving electric service through the master meter have temperature control over any portion of the electric space heating, electric air conditioning or electric water heating service for the unit.
- (c) Section (b) above shall not apply to hotels, motels, dormitories and time-sharing interests in condominiums as defined in RSA 356-B:3.

“Master metering” is defined in Puc 302.12 as “the use of a single meter to supply electric service at a building that contains two or more residential premises.”

Order 25,222 (2011) in DE 10-329 approved the addition of the first sentence of the fourth paragraph of PSNH’s Meters tariff at page 15. This paragraph now reads:

Each unit of a new or renovated domestic structure with more than one dwelling unit will be metered separately and each meter will be billed as an individual customer.

[emphasis added]. Where an individual household or business enterprise, occupation or institution occupies more than one unit of space, each unit will be metered separately and considered a distinct Customer, unless the Customer furnishes, owns and maintains the necessary distribution circuits by which to connect the different units to permit delivery and metering at one location of all the energy used.

In Order 25,222 the Commission noted that even though Puc 303.02 is susceptible of more than one interpretation, it did not deem a declaratory ruling to be appropriate. Instead, the Commission granted a general waiver of Puc 303.02(a) and approved PSNH’s proposed tariff language on the understanding that:

PSNH will apply its proposed tariff to new or newly renovated multi-family apartment buildings consistent with its historical policies and practices. We reserve the right to revisit the waiver and the tariff language change in the event any question regarding this ruling should arise, or if there is a change in our rules.

More recently, Staff has learned that wiring and meter sockets have already been installed at the Facility at an additional cost of nearly \$6,000. As a result, there is no existing dispute between Southwestern and PSNH and in Staff’s view it is not necessary for the Commission to

further review or act on the waiver request. Accordingly, Staff recommends that the docket be closed.

Staff notes for the record that it does not necessarily agree with PSNH's characterization that master metering is the "exception, not the rule" under Puc 303.02. In addition, because, according to Southwestern, individual temperature controls for the units at the Facility are not involved, Staff does not believe that installation of separate meter sockets is required pursuant to the terms of Puc 303.02(b); further in that regard, Staff notes that PSNH agreed that the exception to Puc 303.02(b) found in Puc 303.02(c) applied. There is no need for the Commission to rule on these questions in this docket, however.

Please let me know if you have any questions.

Sincerely yours,

A handwritten signature in blue ink that reads "Edward N. Damon". The signature is written in a cursive style.

Edward N. Damon, Esq., Director
Legal Division

cc Service List