

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 07-067

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

**Petition to Modify Voluntary Interruptible Program—
Tariff Supplement No. 6**

Order *Nisi* Approving Petition

ORDER NO. 24,762

June 15, 2007

On May 22, 2007, Public Service Company of New Hampshire (PSNH) filed a petition with the Commission pursuant to N. H. Code Admin. Rule Puc 1603.08(a)(2) to change certain provisions of its existing Voluntary Interruptible Program Rate VIP - Tariff Supplement No. 6. According to the petition, the proposed changes will clarify that Rate VIP is only available to customers receiving energy service under PSNH's default service Rate DE, and increase the interruption credits provided to customers that volunteer to curtail their load to encourage more participation in the program. PSNH proposed the new Rate VIP for implementation for the summer months effective June 1, 2007 through September 30, 2007. With the petition, PSNH filed a motion for waiver of Puc 1603.07(a)(1) which requires the filing of a proposed tariff change at least 30 days before the effective date of the tariff pages. PSNH also filed proposed tariff page revisions and a supporting technical statement.

The Commission approved Rate VIP in Docket No. DE 00-105, *Public Service Company of New Hampshire*, Order No. 23,505, 85 NH PUC 433 (2000). Through this program, PSNH calls for load interruptions when the New Hampshire spot market price of energy reaches \$200 per megawatt-hour. PSNH is not proposing to change the threshold price in this docket.

Customers participate through a service agreement which designates the amount of interruptible load on a customer-specific basis. To qualify for Rate VIP, customers must be able to curtail the greater of 100 kilowatts or 10% of the average of the customer's monthly maximum thirty-minute kilowatt demands occurring during on-peak hours.

In the instant filing, PSNH proposes to double the interruption credit for participating customers from 50 percent of the N.H. real time zonal price, to 100 percent of the N.H. real time zonal prices, based on the percentage of eligible N.H. load actually curtailed by the customer. PSNH expects that the increase to the interruption credit will create greater incentive for participating customers to curtail load when requested and will attract new customers to Rate VIP.

PSNH also proposes to double the excess demand credit. The excess demand credit is provided to customers who interrupt more than their designated load. PSNH would double the credit from 30 percent to 60 percent of the N.H. real time zonal price for customers who interrupted demand in excess of 125 percent of designated load.

Another change proposed by PSNH offers interruption credits for participating customers to achieve installed capacity market savings. This change will allow PSNH to further reduce its coincident peak load relative to ISO-NE's peak load, thereby reducing its ISO-NE capacity costs which are set at \$3.05 per kilowatt-month effective December 1, 2006. Under the current program, PSNH may ask Rate VIP customers to curtail load when the N.H. real time zonal price is expected to be \$200 per megawatt-hour or greater, but the Rate VIP tariff contains no other specific criteria for requesting interruptions. Therefore, PSNH asks the Commission to approve tariff language that would allow curtailments under the program at the time of system peak loads regardless of prevailing energy price in that hour. While PSNH cannot specifically project what

savings it will experience as a result of this change, it states that the savings in capacity costs will far exceed the increase in the amount of interruptible credits provided to participating customers, resulting in additional benefits to all other energy service customers.

For the purpose of improving the process used to estimate the amount of load curtailed by Rate VIP customers, PSNH's proposal includes new tariff language amending the definition of "Interrupted Demand" to include the new definition of "Baseline Demand." Currently, PSNH's tariff defines "Interrupted Demand" as the difference between (a) the average integrated kilowatt demand occurring during each corresponding hour, on non-holiday weekdays of the current calendar month (excluding any other VIP days or plant shutdown), and (b) the average integrated kilowatt demand during the hourly interruptible period. Under this proposed method, PSNH would determine what the customer's hourly load would normally be based on their average load during other corresponding weekday hours in the same month and then compare this hourly load to the customer's actual load during the VIP interruption period.

According to PSNH, Rate VIP curtailments frequently occur on the hottest days of the year. PSNH states that its current method of calculating load may produce results that do not capture the total amount of load that a participating customer actually curtailed during the interruption period because of the impact of hot weather on a customer's hourly load during the summer. Therefore, to better account for actual curtailed load, PSNH proposes the definition of "Baseline Demand" that includes an adjustment process. "Baseline Demand" will be adjusted upward if the average of the customer's actual usage in the two hours preceding the commencement of the particular hourly interruptible period is greater than the actual average usage during the corresponding two hours on non-holiday weekdays of the current calendar

month. This adjustment will allow PSNH to accurately calculate “Interrupted Demand” for Rate VIP customers with temperature-sensitive loads.

Finally, the company asked that the tariff be amended to clearly indicate that Rate VIP is only available to customers who take default energy service Rate DE from PSNH. In Docket No. DE 06-028, *Public Service Company of New Hampshire*, the company’s delivery rate proceeding, PSNH proposed to amend Rate VIP to state that customers must be taking electric service Rate DE to participate in the program.¹ In that docket, PSNH added the condition to the Interruption Credits section of the tariff. Since that time, the company decided that it would be more appropriate to include this requirement in the Rate VIP tariff’s Availability term, and requests that that change be approved.

In the course of discovery, Staff requested a list of PSNH customers who participated in Rate VIP calls during 2006, along with those customers’ designated load, hours of interruption and interruption credits. PSNH provided the information on June 11, 2007 with a Motion for Protective Order. In support of its motion, the company states that the Commission is bound to protect customer specific information from disclosure pursuant to Puc 2004.08, rules applicable to competitive energy suppliers. Puc 2004.08(a) states that confidential customer information shall not be disclosed without written authorization from the customer. The rule further states that confidential customer information “shall include but not be limited to: (1) Customer name, address and telephone number; (2) Customer usage data; and (3) Customer payment information.” Puc 2004.08(b). PSNH states that although this rule applies to the sharing of information with competitive electric suppliers, it codifies the long-standing practice of PSNH and Commission policy to protect customer-specific data from public disclosure. Further, PSNH

¹ The Commission approved this change in Order No. 24,750 (May 25, 2007).

states that the Commission granting of the Motion for Protective Treatment is in line with the N.H. Supreme Court's holding in Lamy v. NH PUC, 152 N.H. 106 (2005). In Lamy, the N. H. Supreme Court held that there is no privacy interest in a utility's business customers' names and addresses. Id at 110. However, because the information for which PSNH seeks protection is individual customer's loads, hours of interruption and payments for interruption, PSNH claims its request for protective treatment is consistent with that ruling.

Staff filed its recommendation on June 14, 2007. Staff recommended that the Commission approve PSNH's petition because PSNH's enhancements to the Rate VIP should increase customer participation and may reduce PSNH's coincident peak load relative to New England's peak load, thereby, reducing both purchase power costs and installed capacity costs. Staff supports PSNH's proposed changes to incorporate weather-sensitive customer loads, thereby improving the estimation process used for Rate VIP customers that have such loads. Staff also recommended that the Commission issue an order *nisi* to allow PSNH's proposed enhancements to become effective during this summer period. Staff also reports that the Office of Consumer Advocate supports the PSNH petition. Staff also recommended approval of PSNH's Motion for Protective Order.

We have reviewed the filing and Staff's recommendations. We support the expansion of Rate VIP and are encouraged that PSNH is proposing greater incentives to promote both new and increased participation in the program. The change to Rate VIP should reduce capacity costs, which will benefit all PSNH customers taking default service under Rate DE. In addition, we agree that the tariff should be clarified to state that eligibility for Rate VIP is conditioned upon a customer receiving service under Rate DE because PSNH is only responsible for the load it actually serves.

We have reviewed *in camera* the information for which PSNH seeks protective treatment. We find that individual customer's loads, hours of interruption and interruption payments constitute confidential commercial and financial information within the meaning of RSA 91-A:5,IV. We find further that the public's interest in review of the financial, commercial sensitive information does not outweigh the benefit derived from maintaining the confidentiality of such information insofar as the information relates to customer-specific information not currently disclosed by either PSNH or the affected customers. Public disclosure of this information could adversely affect those customers in obtaining power supply and would not provide any benefit to the public. Therefore, we will grant protective treatment to the customer specific information regarding customers' designated load, hours of interruption and credits for interruption. Consistent with our practice, the protective treatment provisions of this Order are subject to the on-going authority of the Commission, on its own motion or the motion of Staff, or any member of the public to reconsider this protective order in light of RSA 91-A, should circumstances warrant.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, Public Service Company of New Hampshire's petition to modify its existing Voluntary Interruptible Program Rate VIP as set forth in its petition is hereby GRANTED; and it is

FURTHER ORDERED, that PSNH's Motion for Protective Order is hereby GRANTED; and it is

FURTHER ORDERED, that the Petitioner shall cause a copy of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions

of the state where operations are conducted, such publication to be no later than June 19, 2007 and to be documented by affidavit filed with this office on or before June 27, 2007; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than June 22, 2007 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than June 25, 2007; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective June 27, 2007, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Petitioner shall file a compliance tariff with the Commission on or before June 27, 2007, in accordance with N.H. Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this fifteenth day of June, 2007.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Clifton C. Below
Commissioner

Attested by:

Kimberly Nolin Smith
Assistant Secretary