

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

Docket No. DE 10-

PUBLIC SERVICE COMPANY'S PETITION FOR DECLARATORY RULING RE:
MASTER METERING OR FOR WAIVER OF RULE PUC §303.02(a)

Public Service Company of New Hampshire ("PSNH" or "the Company") hereby petitions the New Hampshire Public Utilities Commission ("Commission") pursuant to N. H. Code Admin. Rule § 207.01 (a) to either (i) clarify a Commission rule regarding master metering, or (ii) grant PSNH a waiver from Puc 303.02(a) if the Commission determines that Puc 303.02(a) requires master metering. PSNH filed changes to its tariff in the Company's most recent delivery rate case which would have prohibited master metering in most cases. The Staff of the Commission opposed this change. There is significant doubt as to the proper interpretation of the Commission's rule on master metering, N. H. Code Admin. Rule Puc §303.02. *See, Joint Request of PSNH and Community Action Programs for Waiver, Docket No. DE 10-067.* In support of its Petition for Waiver, PSNH says the following:

1. The definition of Master Metering in the Commission rules is "the use of a single meter to supply electric service at a building that contains two or more residential premises." Puc §302.12. The Commission's rule on Master Metering is as follows:

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.

2. In Docket No. DE 09-035 PSNH proposed the following amendment to its tariff:

Each dwelling 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.

In the testimony filed by Staff Witness George R. McCluskey, Staff recommended that the Company's tariff conform to the Commission's rule. *See, Attachment C.* PSNH contends that the rule is confusing and circular and requests that the Commission clarify the proper interpretation of the master metering rule.

3. The attached Technical Statement of Stephen R. Hall details the actual controversy surrounding this rule. PSNH contends that the rule is internally inconsistent. Puc §303.02 (a), requires the utility to install master metering if the installation is consistent with the International Energy Conservation Code 2000. However, IECC 2000, Section 505.1 requires that in Type A-2 residential buildings, provisions must be made for determining the amount of electric energy consumed by each tenant by separately metering each dwelling unit. Therefore, under PSNH's interpretation of the language of this section and Section 505.1 of the IECC, a utility cannot install master metering because the IECC requires separate metering of each dwelling unit.¹

4. PSNH's policy and practice has been to prohibit master metering in all new or substantially renovated residential buildings. The public policy justification for this rule is to provide each user of electric service with information on their

¹ The Commission recently remarked in an order concerning the definition of a commercial apartment building: "In addition, we note that master metering is prohibited for new construction. Any multi-family unit applying for the C&I rebate must be in compliance with N.H. Code Admin. Rules Puc 303.02." Docket No. DE 10-212, *Re: Establishing a Commercial and Industrial Renewable Energy Rebate Program*, Order No. 25,151, slip op at 8 (October 1, 2010).

consumption and cost of electric energy. Exceptions exists for hotels, motels, dormitories and time-sharing interests in condominiums under Puc §303.02 (c).

WHEREFORE PSNH respectfully requests that the Commission accept this Petition for Declaratory Ruling or grant a waiver from that portion of Puc 303.02(a) that requires master metering, approve PSNH's proposed language addition to its tariff pages as set forth in Attachment 1 to PSNH's technical statement, and order such further relief as may be just and equitable.

Respectfully submitted,
Public Service Company of New Hampshire

Date: December 17, 2010

By: Gerald M. Eaton
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CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, a copy of the above Petition for Declaratory Ruling or Request for Waiver was served by electronic mail pursuant to Puc § 203.02 and Puc § 203.11, to the persons listed on the attached Cover Letter.

December 17, 2010
Date

Gerald M. Eaton
Gerald M. Eaton

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
Interpretation or Waiver of PUC Rule 303.02

Docket No. DE 10-

TECHNICAL STATEMENT
of
STEPHEN R. HALL
780 N. COMMERCIAL ST
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I. Introduction

My name is Stephen R. Hall and my business address is 780 North Commercial Street, Manchester, New Hampshire. I am Rate and Regulatory Services Manager for PSNH. The purpose of this Technical Statement is to provide support for PSNH's request for an interpretation of the Commission's rules on master metering and, if necessary, a waiver from that portion of the rules to the extent that the rules require master metering. PSNH is also requesting that the Commission approve the proposed modification to PSNH's tariff page included as Attachment 1 hereto incorporating language to clarify that each dwelling unit of a residential building must be separately metered and that each meter will be considered a separate customer.

II. Background

In Docket No. DE 09-035, PSNH proposed adding language to the Meters section of the Terms and Conditions for Delivery Service of PSNH's Tariff to clarify that master metering will no longer be allowed for new or renovated structures having more than one dwelling unit. PSNH proposed this language to make its tariff language consistent with its interpretation of the language of the Commission's rule and to clarify the metering policy that PSNH has utilized since the early 1980's. At that time, the Commission's rules prohibited master metering of electric service in multi-unit residential buildings, and also prohibited master metering of space and water heating if the individual residences had thermostatic control over space or water heating usage.

In its testimony, The Commission's Staff disagreed with PSNH's interpretation of the Commission's rules and recommended that PSNH's tariff be modified to conform to the Commission's rules. The parties were unable to reach agreement on this issue, but in the Settlement Agreement on Permanent Distribution Service Rates, PSNH agreed to file a request for interpretation of the existing rule, and, if necessary, a waiver from that portion of the Commission's rules that the Staff believes requires master metering.

III. Summary of Previous and Current Rules

Since at least 1990, the Commission's rules prohibited master metering of electric service in multi-unit residential buildings, and also prohibited master metering of space and water heating if the individual residences had thermostatic control over space or water heating usage. The purpose of the prohibition on master metering was to foster energy conservation, since tenants would have knowledge of the electricity they used and, in most cases, would be responsible for paying the bill for electric service. The Commission's rule on master metering was premised upon a similar provision in the New Hampshire Energy Code, and is summarized in PSNH's "Requirements for Electric Service Connections" booklet as follows:

Master metering of electric service is prohibited in buildings with more than one dwelling unit: (a) which are constructed new after November 18, 1980; or (b) which undergo renovations after that date in which the cost of renovations exceeds 50 percent of the value of the building; or (c) which are converted to electric space and/or water heating after that date. For such buildings, separate metering of electricity for each dwelling unit must be provided. This separate metering shall register all electric energy used for the dwelling unit over which the occupant has direct control. Motels, hotels, dormitories, time share condominiums and assisted living facilities are excluded from this requirement.

In 1990, Puc 303.02 was amended to provide, in part, as follows:

"Master metering of electric service is prohibited in new construction as per NHRSA 155:D and section 505.2(e) of the New Hampshire Energy Code. Electric service shall be considered master metered for the purposes of this section if:

- a. There is more than one dwelling unit in such building receiving electric service through the master meter; and
- b. The occupant(s) of each unit has control over any portion of the electric service, used in such unit, received through the master meter."

In 1996, the Commission's master metering rule was amended to renumber certain sections, but the substantive language of the rule pertaining to master metering remained identical to what had been in effect since 1990.

In 1997, an additional change in language was made to the master metering rule, but the substance of the rule remained unchanged:

"(d) No utility shall install or permit master metering of electric service in new construction pursuant to RSA 155-D and the New Hampshire Commercial and Industrial Energy Code, §5.4.1.2.

(e) Electric service shall be considered master metered if:

(1) More than one dwelling unit in a building receives electric service through the master meter; and

(2) The occupant(s) of each unit receiving electric service through the master meter have control over any portion of the electric service for their unit.”

As can be seen above, the Commission’s rules in effect since at least 1990 clearly prohibited master metering of electric service

In 2005, the Commission put into effect Puc 303.02 Master Metering which states:

“A utility shall install master metering of the electric service consistent with its tariffs if the installation is consistent with the International Energy Conservation Code 2000, except as set forth in (b) below.”

The exception to this rule, Puc 303.02 (b) states:

“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.”

Section 505.1 of the International Energy Conservation Code (IECC) 2000 states:

“505.1 Electrical energy consumption. In Type A-2 residential buildings having individual dwelling units, provisions shall be made to determine the electrical energy consumed by each tenant by separately metering individual dwelling units.”

IV. PSNH’s Historical Practice

PSNH has utilized the same master metering policy since at least 1990. In the early 1990’s, PSNH received a clarification of the policy from the Commission’s Staff. In a letter dated February 22, 1991, John Cutting, Energy Planner for the Commission, noted

There are only three (3) exemptions allowing for master metering and they are hotels, motels and dormitories. However, since the Energy Code was adopted in 1979 our state has seen the emergence of two types of structures that challenge the typical definition of a dwelling unit and these are....Section 8 HUD and long term care facilities....NHPUC

maintains that if the unit is designed for independent living (i.e. the unit contains its own cooking, toilet, sleeping facilities, etc.) then it must be separately metered.

PSNH has followed this practice of prohibiting master metering, consistent with the Commission rules, as it encourages conservation by providing customers with information on the amount of their individual consumption.

V. Recent Commission Decision

In Docket No. DE 10-067, the Commission granted a waiver to PSNH from Puc 303.02(b) based, in part, on Staff's recommendation that good cause existed for granting such a waiver. PSNH's request for waiver in that docket was for a waiver from Puc 303.02(a). In its analysis, Staff noted that with respect to PSNH's specific request for waiver (from the requirements of Puc 303.02(a):

"In effect, Puc 303.02 requires master metering of residential and multi-tenant buildings unless (i) the installation is inconsistent with the 2000 Code, which would be the case where separate metering is required by the 2000 Code, and/or (ii) is prohibited by Puc 303.02(b)"

Staff further noted that:

"...the master metering provision of Puc 303.02(a) does not apply. Under this paragraph, master metering is required if the installation is consistent with the 2000 Code; however, master metering is not consistent with the 2000 Code."

By secretarial letter, the Commission granted PSNH's request for waiver, but the waiver was granted with respect to Puc 303.02(b).

VI. PSNH's Request for Clarification or Waiver

PSNH requests that the Commission clarify the interpretation of Puc 303.02(a). That rule requires master metering if the installation is consistent with IECC 2000. However, IECC 2000 requires separate metering of individual dwelling units. Therefore, as Staff pointed out in its analysis in Docket No. DE 10-067, master metering is not consistent with IECC 2000. PSNH therefore requests the Commission to clarify that since IECC 2000 requires separate metering, Puc 303.02(a) should be interpreted to be inapplicable to those situations where individual metering is required, and that master metering of those dwelling units is prohibited. PSNH maintains that master metering is not consistent with IECC 2000, as stated by Staff in its recommendation in Docket No. DE 10-067.

In the alternative, if the Commission determines that master metering of buildings with individual dwelling units is required, PSNH requests a waiver from Puc 303.02(a) in order to continue its practice of requiring individual metering of dwelling units in multi-unit residential buildings.

VII. Consequences of Not Granting PSNH's Request

The consequences of not granting PSNH's request are of great concern to PSNH. Master metering of multi-unit residential buildings was prohibited once the Energy Code was adopted in 1979 because master metering does not foster energy conservation. Since at least 1990, the Commission's rules prohibited master metering except in certain instances (listed above). Based on this, it has been PSNH's policy since that time to prohibit master metering of any new multi-unit building, or of any building undergoing substantial renovation. If PSNH's request is not granted, PSNH would be required to make a dramatic change in its policy, effectively reversing the policy that has been in effect for the last thirty years. Such a dramatic policy change would have significant impact on PSNH's administrative costs and would frustrate the goal of energy conservation.

VIII. Recommendation

For the reasons stated above, PSNH requests that the Commission clarify its rule Puc 303.02(a) to be inapplicable to those situations where master metering is not allowed under IECC 2000. In the alternative, PSNH requests that the Commission grant PSNH a waiver from that rule. In either case, PSNH requests that the Commission approve PSNH's proposed tariff language change, as set forth in Attachment 1 hereto, that would prohibit master metering for new or renovated multi-family buildings.

14. Meters

The Company will provide each Customer with proper metering equipment subject to the ability of the Company to obtain the same.

The Company shall own and maintain the metering equipment necessary to measure Delivery Service under this Tariff. Each meter location shall be designated by the Company and the Company shall have priority over any other entity with respect to placement of Company owned metering equipment.

Any Customer requesting non-standard metering equipment, the cost of which exceeds the cost of the metering equipment necessary for the rendering of Delivery Service under the applicable Rate Schedule, shall be responsible for the additional cost of the requested metering equipment including any incremental labor costs associated with installation of the requested metering equipment. Any such metering equipment must be approved by the Company.

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. 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.

The Company may for its own convenience install more than one meter per Customer, but in such cases the meter readings will be cumulated when billing.

In cases of non-access or where a meter fails to register the full amount of electricity consumed, the amount of the bill will be estimated by the Company, based upon the use recorded during previous months, or upon the best information available.

The Company may estimate, rather than meter, demand and kilowatt-hours used by a Customer where the demand and kilowatt-hour usage are constant and known or for locations which, in the Company's judgment, are unsafe or impractical to separately meter or to access on a regular basis by Company personnel.

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Public Service Company of New Hampshire
Petition for Declaratory Ruling Re: Master Metering or
Waiver of Rule PUC § 303.02(a)

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AFFIDAVIT OF STEPHEN R. HALL

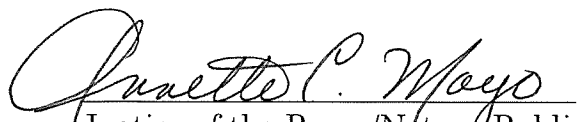
Personally appeared the above-named Stephen R. Hall, who, under oath,
deposed and stated the following:

1. My name is Stephen R. Hall. I am employed by Public Service Company of New Hampshire. I hold the position of Rate and Regulatory Services Manager. My duties include the supervision of all tariff matters.
2. I prepared the attached Technical Statement of Stephen R. Hall. It is true and accurate to the best of my knowledge and belief.

Further the affiant sayeth not.


Stephen R. Hall

Sworn to and subscribed before me this 14th day of December, 2010.


Justice of the Peace/Notary Public

My commission expires

