

DE 99-082

CONCORD ELECTRIC COMPANY AND
EXETER & HAMPTON ELECTRIC COMPANY

Program Year 2000 Conservation Charges

Order Nisi Approving Conservation Charges

O R D E R N O. 23,359

December 6, 1999

On November 22, 1999, Concord Electric Company and Exeter & Hampton Electric Company (collectively UNITIL) filed with the New Hampshire Public Utilities Commission (Commission) a Request to Extend the Current Conservation Charges for the period January 1, 2000 through June 30, 2000. The Conservation Charge is the surcharge mechanism approved by the Commission to allow UNITIL to recover costs related to its Demand Side Management (DSM) Program. By Order No. 23,250 (June 30, 1999), the Commission approved Conservation Charges designed to recover projected expenditures for the Residential Social Services Program, projected expenditures for ongoing regulatory reporting, recovery of lost base revenues, and over/underrecoveries. Previously, by Order No. 22,948, Re Concord Electric Company 83 NHPUC 336 (1998), the Commission allowed UNITIL to phase-out its DSM Program except for the Residential Social Services Program, a program aimed to provide energy efficiency measures to low-income customers.

UNITIL states that a realistic time frame for implementation of new program plans per the impending Commission

order in response to the Energy Efficiency Working Group is July 2000. UNITIL also states that during the first half of 2000, it expects to allocate more resources than in the recent past to the design and development of cost-effective energy efficiency programs in partnership with other utilities and interested non-utility parties and projects a budget for each company of \$40,000 for these activities. Although UNITIL does not seek to change the Conservation Charges at this time, it is requesting Commission approval to include \$80,000 in the energy efficiency budgets for program design for the first six months of 2000.

UNITIL prepared sample program year 2000 Conservation Charges for comparison to the current surcharges. The sample Conservation Charges include: a reconciliation of the projected December 31, 1999 over/underrecoveries; projected expenditures for the continuation of the Residential Social Services Program; ongoing regulatory support; recovery of lost base revenues; and the addition of approximately \$40,000 for each company for program design. A comparison of the current to the sample Conservation Charges follows:

Concord Electric Company:

	<u>Current</u>	<u>Sample</u>
Domestic	\$0.00065/kWh	\$0.00053/kWh
Regular General Service	\$0.00045/kWh	\$0.00043/kWh
Large General Service	\$0.00024/kWh	\$0.00031/kWh

Exeter & Hampton Electric Company:

	<u>Current</u>	<u>Sample</u>
Domestic	\$0.00053/kWh	\$0.00035/kWh
Regular General Service	\$0.00034/kWh	\$0.00051/kWh
Large General Service	\$0.00031/kWh	\$0.00036/kWh

UNITIL states that to avoid unnecessary customer confusion or an unnecessary overcollection should implementation of new programs be delayed beyond July 2000, and because the impact of the additional program design costs are so small, UNITIL does not believe that a change in the Conservation Charges is warranted at this time. UNITIL expects to file its next proposed Conservation Charges on or before June 1, 2000 for effect July 1, 2000 and at that time would reconcile any over/underrecoveries.

On December 3, 1999, Commission Staff (Staff) recommended that the Commission approve UNITIL's Conservation Charges; however, Staff stated its concern about the amount budgeted for program design. Staff is unsure whether the \$80,000 is justifiable and recommends that the costs be approved subject to audit and refund if so warranted.

We have reviewed UNITIL's request and Staff's recommendation and will approve continuing the currently effective Conservation Charges through June 30, 2000. The proposed Conservation Charges are adequate to fund the ongoing costs associated with UNITIL's current DSM program. We shall approve the 2000 DSM program subject to Staff's recommendation

that the \$80,000 estimated for program design be subject to audit and possible refund; however, we note that all costs incurred by a utility are subject to Commission review.

Additionally, we waive the application of N.H. Admin. Rules, Puc 1203.05(a), which requires generally that rate changes be implemented on a service-rendered basis, and will allow UNITIL to implement its Conservation Charges on a bills-rendered basis. This waiver, pursuant to Puc 201.05, produces a result consistent with the principles embodied in Puc 1203.05(b), which sets forth exceptions for allowing rate changes on a bills-rendered basis, and is in the public interest because it eliminates customer confusion and reduces administrative costs.

Based upon the foregoing, it is hereby

ORDERED NISI, that the following Conservation Charges are APPROVED:

	<u>Concord Electric Company</u>	<u>Exeter & Hampton Electric Company</u>
Residential	\$0.00065/kWh	\$0.00053/kWh
Small C&I	\$0.00045/kWh	\$0.00034/kWh
Large C&I	\$0.00024/kWh	\$0.00031/kWh;

and it is

FURTHER ORDERED, that the Conservation Charges, as detailed above, shall be effective January 1, 2000 on a bills-rendered basis; and it is

FURTHER ORDERED, that UNITIL shall budget \$80,000 for

program design, subject to audit and possible refund if so warranted; and it is

FURTHER ORDERED, that UNITIL 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 December 13, 1999 and to be documented by affidavit filed with this office on or before December 24, 1999; and it is

FURTHER ORDERED, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than December 20, 1999; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than December 24, 1999; and it is

FURTHER ORDERED, that this Order Nisi shall be effective January 1, 2000, unless the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that UNITIL shall file a compliance tariff with the Commission on or before January 1, 2000, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New

Hampshire this sixth day of December, 1999.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary