

DE 01-087

CONCORD ELECTRIC COMPANY AND EXETER & HAMPTON ELECTRIC COMPANY

Load Response Program Tariff

Order Approving Load Response Program Tariff

O R D E R    N O.    23,707

May 17, 2001

The Petitioners, Concord Electric Company and Exeter & Hampton Electric Company (CEC and E&H, collectively 'the Companies'), filed on April 18, 2001 NHPUC No. 12 Second Revised Page 1 and Original Page 48 for CEC, NHPUC No. 17 Second Revised Page 1 and Original Page 49 for E&H, a proposed Load Response Program Standard Service Agreement, and detailed information on the two proposed Load Response Programs of the Independent System Operator-New England (ISO-NE). The purpose of the Companies' tariff filing is to enable the Companies to offer any ISO-NE load response programs to their customers.

On March 19, 2001, the New England Power Pool ("NEPOOL") Participants Committee made a compliance filing with the Federal Energy Regulatory Commission ("FERC") that proposed amendments to the NEPOOL Market Rules for the implementation of a Load Response Program emanating from FERC's decision in NSTAR Services Company, 92 FERC ¶61,065 (2000). See Docket Nos. EL00-83-005, ER00-2811-005, ER00-2973-003, EL00-62-023 and ER00-2052-010. The FERC has not issued a

decision, but one is expected by May 18, 2001 for implementation of load response programs on June 1, 2001. The ISO-NE program includes the creation of two classes of interruptible load under the heading of "Type 6" Interruptible Load: Class 1 and Class 2. Class 1 Interruptible Loads are for customers who elect to reduce their load as part of a Demand Response Program based on Second Contingency Loss as defined by NEPOOL Operating Procedure No. 8 or a after the ISO-NE implements voltage reductions. The Demand Response Program requires a mandatory reduction in power use to predetermined levels within 30 minutes of the enrolled customer being directed to do so by ISO-NE. The Class 2 Interruptible Loads are subject to interruptions based upon a pre-determined market clearing price. The Price Response Program is available to users who are able to interrupt between 100 kilowatts to 5,000 kilowatts of demand at a time.

In each program, the NEPOOL Participant who enrolls a customer in a program receives compensation payments from ISO-NE and then pays the enrolled customer an incentive payment the NEPOOL Participant and customer have agreed upon. The enrolling NEPOOL Participants in the Demand Response Program receive the ten-minute operating reserve price for the amount of load the enrolled customers make available for

interruption and the energy clearing price for the energy the enrolled customers actually interrupt.

The Price Response Program gives the customer the option of reducing its energy use for a certain period when notified by ISO-NE. ISO-NE triggers the Price Response Program when the energy clearing price is forecast to be equal to or greater than \$100 per MWh. The NEPOOL Participants who enrolled the customer receive the energy clearing price for the actual energy interrupted.

CEC and E&H propose to pass through 100 percent of the programs' compensation to the enrolled customer. The Companies' anticipate direct administrative costs from RETx, hired by ISO-NE to manage the Load Response Programs, will be in the range of \$5,000 - \$15,000 for a one-time set-up fee, plus \$2,000 - \$3,000 per month charges for all three of Unitil's distribution companies. The Companies' propose to recover these costs through Unitil Power Corporation's wholesale rates. CEC and E&H propose to absorb all internal regulatory, marketing and administrative costs. Currently, ISO-NE has no set end-date for the programs, but the Companies' proposed Service Agreements expire after one year.

The Commission is supportive of CEC and E&H's participation in load response programs to reduce the system

peak. The programs are designed to increase grid reliability and reduce market prices during peak periods in New England, thus benefitting all CEC and E&H customers. For this reason, we will allow the Companies to pass the programs' administrative costs through UPC's wholesale rates. The Companies should include in their FAC/PPCA filings the results of the Load Response Program as well as expense information and verification that only costs attributable to Unitil's regulated companies are included. Based on the above, the Commission finds that both the proposed tariff pages and the proposed standard agreement for the Load Response Programs are in the public interest.

**Based upon the foregoing, it is hereby**

**ORDERED,** that NHPUC No. 12 Second Revised Page 1 and Schedule LR, Original Page 48 for Concord Electric Company is approved; and it is

**FURTHER ORDERED,** that NHPUC No. 17 Second Revised Page 1 and Schedule LR, Original Page 49 for Exeter & Hampton Electric Company is approved; and it is

**FURTHER ORDERED,** that Concord Electric Company's and Exeter & Hampton Electric Company's Load Response Program Standard Service Agreements, filed on April 18, 2001 as Attachment A Pages 1 and 2 are approved as filed.

By order of the Public Utilities Commission of New  
Hampshire this seventeenth day of May, 2001.

---

Douglas L. Patch  
Chairman

---

Susan S. Geiger  
Commissioner

---

Nancy Brockway  
Commissioner

Attested by:

---

Claire D. DiCicco  
Assistant Secretary