

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 10-326

GRANITE STATE ELECTRIC COMPANY d/b/a NATIONAL GRID

Outdoor Lighting Tariff

Order Approving Proposed Tariff

ORDER NO. 25,205

March 21, 2011

Appearances: McLane, Graf, Raulerson & Middleton, PA by Sarah B. Knowlton, Esq., on behalf of Granite State Electric Company d/b/a National Grid; and Suzanne G. Amidon, Esq., on behalf of Commission Staff.

I. PROCEDURAL BACKGROUND

On December 10, 2010, Granite State Electric Company d/b/a/ National Grid (National Grid or Company) filed a proposed tariff for the implementation of “part-night hours of operation” for outdoor lighting. The tariff was filed pursuant to RSA 9-E:4, which requires the Commission to develop a rate for part-night or midnight service for unmetered street or area lighting. Under the proposed tariff provision, a National Grid outdoor lighting customer can select the part-night option if the customer seeks roadway illumination during initial night time hours with street lights turning off during the latter half of the night. National Grid pre-filed testimony of John E. Walter, Manager Outdoor Lighting for National Grid USA, which provides service to National Grid affiliates, including National Grid’s New Hampshire affiliate. On January 7, 2011, the Commission issued Order No. 25,191 suspending the tariff and scheduling a hearing for February 10, 2011.

II. POSITIONS OF THE PARTIES

A. National Grid

National Grid proposes a new option under its “hours of operation” which allows for “part-night hours of operation” in addition to “full-night service” or “normal hours of operation.” According to the Company, under the existing rate M, all street lights are deemed to be in operation from approximately one half hour after sunset (dusk) until approximately one half hour before sunrise (dawn). Under the proposed tariff, an outdoor lighting customer has the option to select roadway illumination during initial night time hours with street lights turning off during the later night time hours.

Under the proposed tariff, street lights selected for part-night operation would be fitted with a device that operates by light sensor and by computer program. A street light selected for part-night hours would turn on at dusk and operate for a period equal to one-half of the prior night’s dusk-to-dawn cycle. The light would then turn off, and remain off for the second half of the night, up to 5½ hours. If the ambient light conditions at dawn are less than observed at dusk, the light then would turn on after 5½ hours and stay on until the natural light reaches normal dawn conditions. National Grid explained that the operating schedule was developed in recognition that, during certain periods of the year when dawn occurs later in the morning, early morning commuter traffic, school buses and waiting school age children create a higher potential for accidents. The proposed part-night option operating cycle reduces this potential by operating the lights during pre-dawn hours during the calendar months when it remains dark longest in the morning hours.

The Company said that its municipal account managers will notify municipal customers of the availability of the part-night option once it is approved by the Commission. National Grid said that the Company would process requests for the part-night service on an as-received basis. Work orders would be created for each individual light specified for an operation option change; the orders would be scheduled and the work performed similar to all other lighting work orders. Any billing changes resulting from the initiation of part-night service would become effective following the completion of each work order and be reflected on the next billing cycle. National Grid also explained that any cost reimbursements due from the customer and the applicable part-night charge to retrofit the street lights affected will be billed to the customer once all work has been performed.

Under National Grid's proposal, the customer would be responsible for providing the appropriate services or the reimbursement of costs associated with any work zone protection, traffic control, or permit fees required to install the equipment. In addition, the Company proposed a part-night charge per light that would be billed to the customer. National Grid explained that the part-night charge will represent the average costs incurred by the Company associated with an individual round trip to a specific existing light location and the work effort and material necessary to change the operating control.

National Grid testified that it proposed to assess a part-night charge of \$150.00 per light to install the part-night control device on an existing light. According to the Company, the \$150.00 charge includes the costs associated with travel, labor and the device itself. At the hearing, National Grid explained that for customers who requested the installation of a part-night control device in an existing streetlight at the time of a scheduled maintenance visit, or where the

Company is installing a new outdoor light with the part-night device, the Company would assess a service charge of \$20 per installation for the cost of the new device. National Grid testified that it would make that change to its final tariff, assuming that the Commission approved the part-night service option. The Company concluded by requesting that the Commission approve the filing, stating that its filing complied with the statutory requirement and that the resulting rates were just and reasonable.

B. Commission Staff

Staff stated that it had reviewed the filing and recommended that the Commission approve the proposed part-night service with the change proposed by the Company that would reduce the cost for installing the part-night control device on a new light or upon scheduled maintenance. With the changes in place, Staff believes that proposed part-night service will not cause any cost shifting among the customer groups as the Company will be charging the participating customers the incremental costs of installation only.

C. Town of Hanover

The Town of Hanover did not petition to intervene but filed comments and attended the hearing. It objects to the tariff in two respects. It objects to communities being charged for the costs of conversion of fixtures in one billing cycle and states that the “tariff would have to be spread over eight (8) years at current electricity rates to provide any financial incentive to Hanover.” It also objects to National Grid’s decision not to include LED lighting for this program.

III. COMMISSION ANALYSIS

RSA 9-E:4 states: “To encourage cost savings and energy conservation, the public utilities commission shall, subject to its ratemaking authority under RSA 378, develop a rate for part-night or midnight service for unmetered street or area lighting. Such a rate shall be revenue neutral with respect to utility distribution revenue.” We have reviewed National Grid’s part-night outdoor lighting option and find it to be designed to encourage cost savings and energy conservation in outdoor lighting while also taking into account safety concerns associated with early morning street use.

National Grid proposes to provide this option for all types of new or converted outdoor lighting service and did not propose to incorporate LED luminaires as an option, to which Hanover objects. Mr. Walter of National Grid testified that while LED lighting is perceived as a more energy efficient alternative, the actual operation of LED lighting is not necessarily better over time, in terms of cost, reliability, life and lumen output per unit of energy consumed compared with high intensity discharge lamp options that the Company currently offers. He also noted that the technology is rapidly evolving and as industry standards are developed and as the technology stabilizes the Company will continue to monitor the potential inclusion of LED and other solid state technology options. We also expect that lighting technologies will continue to evolve and that in the future additional options may be viable. For the time being, on balance, we find the National Grid proposal to be a positive development that gives outdoor lighting ratepayers another option to conserve energy and darken the sky late at night.

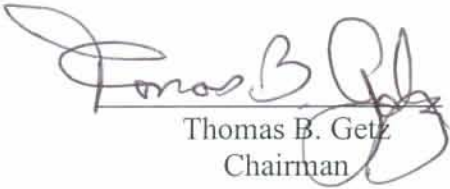
Pursuant to RSA 378:7, the Commission shall approve rates upon the finding, after a hearing, that the proposed rates are just and reasonable. National Grid has set the cost of installation of the part-night control device at \$150.00 which would be billed to customers after service delivery. This charge is in addition to any costs or fees “associated with work-zone protection, traffic control services and/or permits required to perform the customer requested change”. In addition, National Grid stated that the incremental cost for new installations and installations that occur contemporaneous with scheduled maintenance would be \$20.00, and that it would modify the tariff to reflect that change. We have reviewed the filing and determined that the charges and tariff changes proposed by National Grid in connection with the part-night outdoor lighting option are just and reasonable and in the public interest, as it appears that the proposed tariff recovers the incremental costs of the part-night service and does not shift costs for this optional service to other customers. Therefore, we approve the tariff subject to the modification mentioned herein.

Based upon the foregoing, it is hereby

ORDERED, that National Grid’s proposed tariff revision for part-night outdoor lighting service is hereby APPROVED as modified herein; and it is

FURTHER ORDERED, that National Grid shall file a tariff conforming to this Order within 30 days hereof.

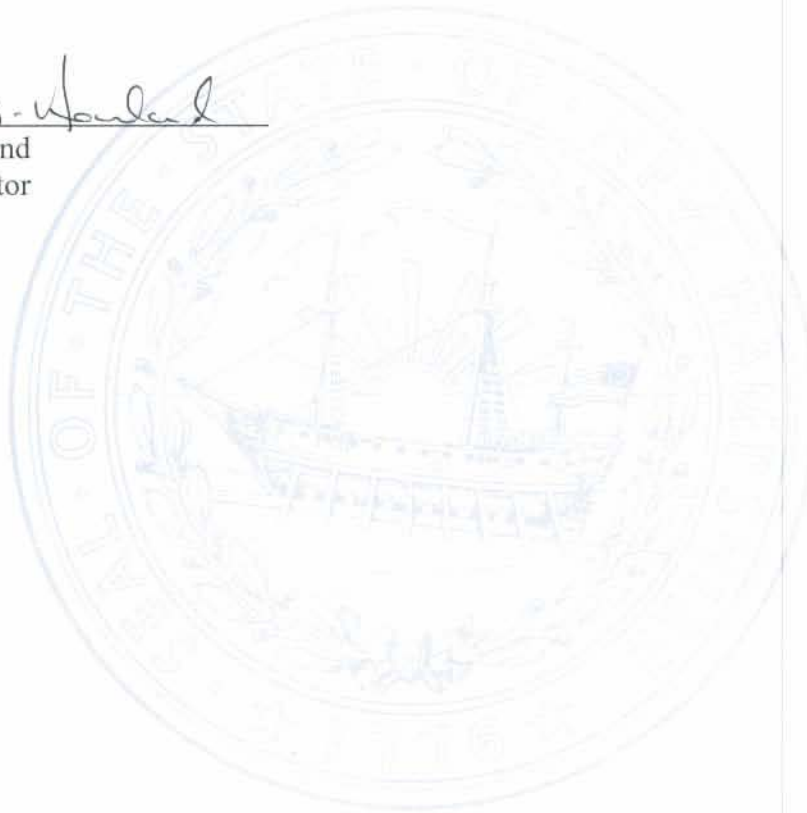
By order of the Public Utilities Commission of New Hampshire this twenty-first day of
March, 2011.


Thomas B. Getz
Chairman

 
Clifton C. Below Amy L. Ignatius
Commissioner Commissioner

Attested by:


Debra A. Howland
Executive Director



MEREDITH A HATFIELD
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301

SARAH KNOWLTON
MCLANE GRAF RAULERSON & MIDD
PO BOX 459
PORTSMOUTH NH 03801

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FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),

WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:

DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429