

RESULTS OF CL&P PLAN-IT WISE ENERGY PILOT

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INTRODUCTION

Order No. 4 of the Department of Public Utility Control's ("Department") December 19, 2007 decision in Docket No. 05-10-03RE01 ("Decision") required The Connecticut Light and Power Company ("CL&P" or "Company") to provide a plan to perform an advanced metering infrastructure ("AMI") metering study ("Meter Study") and a plan to conduct a Rate Pilot ("Rate Pilot"), under which it could achieve the Department's objectives as set forth in Public Act 07-242, An Act Concerning Electricity and Energy Efficiency ("Act"). The Meter Study and the Rate Pilot (collectively, the "Pilot Programs") were to gather more information about how AMI meters could provide cost savings for customers through time-based rates and to provide additional information which would assist the Department to make a more educated decision about the further deployment of AMI meters. The Department required CL&P to report the results of the Meter Study and the Rate Pilot by December 1, 2009.

CL&P successfully executed the Rate Pilot and the Meter Study from June 1, 2009 through August 31, 2009. The Pilot, branded as the Plan-it Wise Energy Program, achieved its objectives to gain insight into customer interest in, and response to, dynamic pricing rates, while at the same time gathering experience and insight into the capabilities and maturity of certain AMI technologies.

DECISION ORDERS

Order No. 2 of the Decision sets out the objectives of the Rate Pilot to determine CL&P's customers' acceptance of, and response to, time-based rate options. The Order further instructs the Company to provide up to three time of use ("TOU") rates, each with a different on peak/off peak price differential, to observe customer response to these rate differentials and established the following guidelines:

- Participation will be voluntary;
- TOU rates must be offered to Residential and Commercial & Industrial ("C&I") customers;
- Critical Peak Pricing ("CPP") rates must be offered to C&I customers;
- Participating customers will be billed under Pilot rates;
- Participating customers can return to their otherwise applicable firm service rate or choose an alternate Pilot rate at any time during the study, but will be transferred to the alternate rate based on their meter cycle;
- CL&P must provide an historical comparative billing summary for each of the Pilot rates to provide customers the opportunity to compare how the Pilot rates would may have impacted their bill in the past;
- CL&P must provide ongoing bill comparisons during the Pilot to provide customers the opportunity to compare how the rate is impacting their otherwise applicable bill;
- Residential participants must be demographically diverse; and
- CL&P must evaluate the impact of these rate designs on customer consumption patterns. At a minimum, CL&P's evaluation must address customer understanding and acceptance of time-based rates, customer willingness to shift demand to off-peak periods or to invest in efficient equipment to offset peak costs and bill impacts.

Order No. 3 in the Decision required CL&P to prepare a Meter Study plan for its meter test and file it with the Department by March 15, 2008. The objective of the study was to evaluate the technical capabilities and reliability of AMI meters. The results of the Meter Study are contained in this filing.

Order No. 4 of the Decision required CL&P to submit a report regarding the Meter Study and Rate Pilot on or before December 1, 2009. The report shall include, but not be limited to:

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- a summary regarding customer response to the Pilot;
- a discussion of the technical capabilities, effectiveness in rural areas and reliability of the meters; and
- the cost effectiveness of the meters and the rate options.

In a letter to the Company dated May 2, 2008, the Department:

- approved the Company's recommendation to exclude testing a Variable Peak Pricing ("VPP") and Real Time Pricing ("RTP") rate and instead test a Peak Time Rebate ("PTR") rate;
- rejected the Company's proposal to test a four-hour TOU rate; and
- requested CL&P to "examine customer reaction to seasonal rates, including whether winter rates are appropriate, in lieu of the four-hour TOU period." The Company and the Department determined that the seasonal rate would not be included in the Pilot because it did not need AMI meters for testing and because the Pilot would only be active during the summer season.

This filing details CL&P's Meter Study and Rate Pilot results, in accordance with the Decision plan approved by the Department in its May 2, 2008 letter, which is described above ("Approved Plan"). CL&P has met the objectives defined in the Decision and the Approved Plan by executing the Meter Study and the Rate Pilot as designed and is submitting the results as a part of this filing. As defined in the "Next Steps" section of this filing, the Company plans to leverage these results to analyze and submit a detailed cost benefit analysis of multiple AMI deployment scenarios on or before March 31, 2010.

EXECUTIVE SUMMARY

In response to Order No. 4, the Company submits this compliance filing which presents the results of the customer response to the Rate Pilot and a discussion of the technical capabilities, effectiveness and reliability of the advanced meters that were investigated through the Meter Study.

The Company successfully achieved the Pilot Program's objective of gaining an understanding of customer interest in, and response to, time-based rates. Customer participation was statistically significant across each combination of rate, price differential, and enabling technology test. The Pilot provided experience with an AMI solution and four enabling technologies. The Pilot was completed on schedule and within budget, and the Company gained valuable experience in regards to time-based rates and metering technology.

CPP (communicated to customers as the Peak-Time Pricing ("PTP") rate), PTR and TOU were the three rate designs tested. Each rate design was tested with a high and low price differential of off-peak to on-peak in order to develop a price elasticity curve. The CPP and PTR rates were in effect for a total of 40 hours on 10 days from 2 p.m. to 6 p.m. The CPP program increased prices up to \$1.60 per kWh during peak hours, while providing a discount of up to \$.05 per kWh during off-peak hours. The PTR program retained normal tariff pricing during all hours of the Pilot, but provided rebates of up to \$1.60 per kWh during the peak hours if customers reduced their energy usage during that time. The TOU Pilot rate tested response from noon to 8 p.m. weekdays as the on-peak period, and all other hours as the off-peak period. Under this test the price differential for on-peak versus off-peak was substantially wider than the TOU pricing which exists currently in CL&P's TOU rates.

The Company randomly assigned customers to a rate and pricing option and solicited customers for enrollment in that option via direct mail and outbound calls. Customers were not made aware that other options were available and were not able to switch. The Company met the objective of enrolling 2808

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customers in the active Pilot distributed equally among the rate, pricing and technology options, plus 200 customers in the control groups. For every 100 customers solicited to join the Pilot, 3.1 percent of Residential and 4.5 percent C&I customers enrolled. At the close of the rate Pilot 2,437 total customers were enrolled in the rate Pilot with representation from 1,251 Residential and 1,186 C&I customers, plus 200 control group customers.

The active Pilot period occurred from June 1, 2009 through August 31, 2009. Residential customers had significantly stronger responses to dynamic pricing rates than C&I customers. Rates in effect for the fewest number of hours, i.e., the “peakiest rates”, with the higher price differentials were most effective in reducing peak load. CPP was most effective, followed by the PTR and last, the TOU rate.

In support of the rate response, controlling technologies like the smart thermostats and smart switches were effective in achieving up to 7 percent additional peak energy usage reduction for Residential customers and up to 4 percent for C&I customers. However, non-controlling, informational devices like the Energy Orb and the Power Cost Monitor had no statistical peak energy usage reduction effect.

The higher price differential results for each Pilot rate tested are presented here:

- CPP customers who had assistance from controlling technologies achieved a peak usage reduction of 23.3 percent for Residential and 7.2 percent for C&I customers. Customers on the CPP rate alone (without controlling technologies) achieved a peak usage reduction of 16.1 percent for Residential customers and 2.8 percent for C&I customers. In contrast to the reduction in peak usage, total energy usage actually increased by 0.2 percent for Residential customers, but did not change for C&I customers.
- Customers on the PTR also showed a strong response. Residential customers saw a peak reduction of 17.8 percent when coupled with controlling technologies and 10.9 percent without controlling technologies. PTR was not as effective for C&I customers, as those customers yielded only a 4.1 percent reduction in peak usage with controlling technologies, but zero statistical impact with the rate alone. Total energy usage was reduced by 0.2 percent for Residential customers and did not change for C&I customers.
- The eight-hour TOU rate was the least effective rate. Residential customers reduced their peak energy usage by 3.1 percent and reduced their total energy use by 0.1 percent. The peak load reduction from the TOU rate was not affected with the use of controlling technologies. The eight-hour TOU rate was also ineffective for C&I customers, who had zero statistical peak load reduction and zero statistical decrease in total energy usage, with or without the enabling technologies.

Summer 2009 was a mild summer in the CL&P territory compared to an average. An analysis the pilot data determined that the CL&P customer response increased with hotter, more humid peak events compared to milder peak events. Fortunately, the data captured through the Pilot enables the Company to model the customer price response based on the temperature and humidity. Going forward, the Company will now be able to forecast price response under hotter, more “normal”, CL&P summer peak days.

Across all rates and on average, Residential customers saved \$15.21 and low, including limited income customers saved \$8.07, while C&I customers incurred an additional \$15.45. Interestingly, both C&I and Residential customers who logged on to the web site saved more than customers who did not. C&I customers who logged on to the web site saved \$.14 and Residential customers saved \$24.69.

According to post-pilot survey results, most customers were satisfied with the Pilot. Ninety two percent of Residential and 74 percent of C&I customers would participate again. Residential customers rated their overall satisfaction of the program at 5.1 out of 6, while C&I customers rated, their satisfaction a 4.1

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out of 6. The CPP rate was the most satisfying rate and the smart switch was the most satisfying technology for both Residential and C&I customers. Residential customers were less satisfied with the PTR and least satisfied with the TOU rate. C&I customers were less satisfied with the TOU rate and least satisfied with the PTR.

The AMI technology had solid performance. The Company found that AMI meters worked effectively at capturing and transmitting hourly energy usage. There were no meter failures during the Pilot. As was not unexpected, the Pilot demonstrated that effective integration of the Home Area Network (“HAN”) to in-home devices is still immature from both a technical and a customer usability perspective.

The development of AMI standards is now being led by the National Institute of Standards and Technology (“NIST”), with plans to complete the development of the most critical AMI standards, which include security and HAN integration, by the end of 2010. CL&P’s parent company, Northeast Utilities, is participating in these key working groups.

The Company is committed to leveraging the results of the Pilot to evaluate the costs and benefits of multiple CL&P AMI deployment scenarios. This analysis will enable the Company to make an AMI deployment and dynamic pricing recommendation to the Department on or before March 31, 2010.

A. RATE PILOT RESULTS

This section of the filing provides CL&P’s response to Order No. 4 of the Decision, regarding a summary of the customer response to the Pilot.

Rate Design

CL&P tested a series of dynamic and time-based rate designs across two customer classifications. The Residential AMI samples included a random selection of both Rate 1 (non-electric heating) and Rate 5 (electric heating customers). The C&I samples included customers from the general service Rates 30 and 35, but limited participation to those customers with demands below 100 kW. This limitation was in recognition that customers in excess of 100 kW demands are, or will in the near future, be subject to mandatory TOU rates.

For each of these two customer classifications, three different rate designs were tested – two dynamic pricing structures, and one TOU structure. The dynamic structures were CPP and PTR. These dynamic pricing structures provided aggressive price signals for customers to modify their electric consumption behavior during limited peak hours – i.e., during 10 critical peak day “events” called by CL&P, for a duration of four hours from 2 p.m. to 6 p.m. (or a total of 40 hours during the three month Pilot duration).

The CPP program provided substantially higher prices during these 40 hours, while providing lower prices during all other hours of the Pilot. Under the CPP program, customers could either experience higher or lower total electricity bills based on the amount of demand shifted from peak to off-peak periods.

The PTR program retained normal tariff pricing during all hours of the Pilot, but provided a rebate opportunity during the 40 critical peak hours if load reductions were achieved. Under the PTR program, customers were not exposed to higher prices than their otherwise applicable rate, thus the rebate created a scenario where customers could only experience lower total electricity bills.

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The TOU Pilot rate tested response from noon to 8 p.m. weekdays as the on-peak period, and all other hours as the off-peak period. Under this test the price differential for on-peak versus off-peak was substantially wider than the TOU pricing which exists currently in CL&P’s TOU rates.

Price Differentials and Technology Scenarios

For each of the Pilot rate structures, both a “high” and “low” price differential was tested. That is, for the CPP, the rate during critical peak hours was increased by about \$0.65 and \$1.60 per kWh over the otherwise applicable flat tariff rates for the low and high price programs, respectively. The higher critical peak pricing enabled all other hours under the CPP program to be reduced. For the high and low PTR structures, the rebate offered was approximately the same value per kWh as the CPP rate increases. For the TOU structures, the high price program included an on-peak versus off-peak differential of \$0.20 per kWh, and the low price program included a \$0.10 per kWh differential. Table 1 summarizes the rate differentials tested during the Pilot.

TABLE 1 – Rate price differentials by rate design

Customers	RATE-> Period	TOU		PTR		CPP	
		Low	High	Low	High	Low	High
Residential (Rate 1 & 5)	Peak	0.071	0.142	0.655	1.614	0.655	1.614
	Off-Peak	-0.029	-0.058	0.000	0.000	-0.015	-0.036
C&I (Rate 30 & 35)	Peak	0.069	0.138	0.650	1.601	0.650	1.601
	Off-Peak	-0.031	-0.062	0.000	0.000	-0.020	-0.049

Further, within each of these Pilot pricing tests, customers were included either with or without technology. Non-technology customer groups were provided only the price signals from the Pilot programs. The technology customers received various devices designed to measure differences in the peak load response within the Pilot. The technologies were either “enabling,” such as an automatic or smart switch device on central air conditioners or an automatic set-back thermostat or smart thermostat (both designed to increase temperature settings during events), or “passive” technology providing information as to when events were occurring. Two informational non-controlling devices were used in the Pilot, the Energy Orb and the Power Cost Monitor in-home display.

Customer Enrollment

CL&P executed a marketing and enrollment process designed to achieve demographic diversity and statistical significance. To test the three Pilot rates with two price differentials, with and without technology, the Company designed 13 groups of 100 customers each for both Residential and C&I customers (a total of 2,600 customers). The enrollment process targeted participation of 1,300 Residential customers and 1,300 commercial and industrial (“C&I”) customers through the end of the Pilot. To ensure statistical validity, the Company over-enrollment by 17 percent,(i.e., 117 customers signed up in each “test cell”, to accommodate customer move-ins, move-outs and drop-outs, making the total targeted enrollment number approximately 2800, plus approximately 100 customers in the C&I and 100 customers in the Residential control groups. Customers were able to opt-out at any time. To maintain statistical validity, customers were not able to choose among, or switch between, Pilot rates during the Pilot. Please see Appendix A, pages 21 and 22, for information that details the various Pilot treatment cells tested as they relate to the number of customers that received different technologies.

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The Company achieved its 17 percent over-enrollment target. For every 100 Residential customers solicited through direct mail, 3.1 percent enrolled in the Pilot. C&I customers were solicited by direct mail plus outbound calling and enrolled at a higher rate than Residential customers, at 4.5 percent.

The planned 17 percent cushion allowed the final participation across Pilot test cells to achieve statistical validity, despite a combined 20 percent unenrollment or disqualification by the end of the Pilot period. After completing the Pilot enrollment process, 13 percent of Residential customers and 11 percent of C&I customers were disqualified from the program, primarily due to planned move-outs during the Pilot period, the inability of CL&P to get into the residence or business to install the Smart Meter, or the lack of customer response to the Company's request to schedule an enabling technology installation. An additional 6 percent of Residential customers and 7 percent of C&I customers unenrolled prior to the Pilot start because they changed their mind. During the Pilot period, approximately 1 percent of customers unenrolled monthly. This figure is similar to the experiences of other utility rate pilots.

Pilot customers provided answers to several questions as a condition for enrollment, including whether they have central air conditioning, if they own or rent their home, square footage of premise, a self-rating of greenness, level of education and annual income or business revenue. The distribution of responses to these questions is provided in Appendix C - Plan-it Wise Customer Experience.

Analysis Methodology

CL&P's analytical approach to evaluate load impacts is based on the application of econometrics and microeconomic theory to data collected during the Pilot. The analysis seeks to predict electricity consumption by time period based on two equations. The first equation estimates a substitution elasticity which measures the change in load shape caused by changing peak to off-peak prices, i.e., a measure of peak load reduction. The second equation estimates a daily price elasticity which measures the change in daily energy consumption caused by changing prices, i.e., a measure of energy conservation.

During the Pilot, 10 critical peak day events were called – one in June, five in July and four in August. The data from these events was used to calculate the elasticities for the CPP and PTR. For the TOU rates, elasticities were measured during the higher priced on-peak period of noon to 8 p.m. each weekday of the Pilot. Based on the measured elasticities specific to CL&P customers, the typical CL&P Residential and small C&I load profiles, and all-in rates customers paid during the Pilot period, an analytical model was run to determine the demand response (peak load reduction) and change in consumption impacts that were tested in the Pilot program. Please see Appendix B for a more detailed explanation of the methodology. Appendix A, pages 25 to 39, provides a detailed explanation of the model results.

Results

As a general observation, the Pilot confirmed the intuitive result – the greatest price response is associated with the peakiest rates with the highest price differentials. The CPP program generally resulted in the greatest response; the PTR program the next level of response, and the TOU rates (with the lowest potential price differentials during peak events) had the least response. Further, Residential customers tended to respond greater to the Pilot price signals than did C&I customers. Table 2 shows a summary of the results for the high differential in rates and the impact of “enabling” technologies. Additional details on the results can be found in Appendix A, pages 40 to 49.

TABLE 2 – Demand impact results

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Customers	Period	TOU		PTR		CPP	
		High Diff.	With Tech	High Diff.	With Tech	High Diff.	With Tech
Residential (Rate 1 & 5)	Peak Load Reduction	-3.1%		-10.9%	-17.8%	-16.1%	-23.3%
	Monthly consumption change	-0.1%		-0.2%		+0.2%	
C&I (Rate 30 & 35)	Peak Load Reduction	0%		0%	-4.1%	-2.8%	-7.2%
	Monthly consumption change	0%		0%		0%	

For the Residential class, CPP had the greatest impact, with customers shifting peak demand by 16.1 percent. The presence of an “enabling” technology increased the impact to 23.3 percent. PTR showed the second highest impact, with customers shifting peak demand by 10.9 percent, and 17.8 percent with “enabling” technology. TOU customers shifted peak demand by 3.1 percent, with or without “enabling” technology. Monthly energy conservation results, although statistically significant, were very small, ranging from -0.2 percent for PTR rates to +0.2 percent for CPP rates (representing a slight increase in overall monthly consumption).

For the C&I class, similar results occurred, although the impact was less pronounced than that of Residential customers, which is consistent with evidence from other Pilots across the country. As it relates to the CPP program, a statistically measurable peak load shift was achieved either with (reduction of 7.2 percent) or without “enabling” technology (reduction of 2.8 percent). However, for the PTR, a peak load response was only achieved with the existence of enabling technology (4.1 percent). Absent “enabling” technology, the PTR program for the C&I class yielded no peak load response benefits.

No statistically measurable response was found for TOU C&I customers with or without “enabling” technology. That is, during on-peak periods, Pilot customers indicated no difference in their peak load and energy consumption patterns with the existence of TOU pricing compared to the control group customers. These results were not surprising as C&I customers expressed concern about their ability to respond to the lengthy eight-hour TOU period during CL&P’s focus group sessions that were held prior to the Pilot implementation. This is also understandable given the fact that the C&I group that was tested generally does not include the larger businesses that are most likely to have sophisticated energy management systems or the ability to dramatically modify consumption patterns. The 100 kW and below C&I customers are largely retail businesses and office buildings that may either be operated by someone other than the owner and thus less sensitive to energy cost issues, or businesses in which load response to the long eight hour on-peak window during each weekday is simply not achievable due to business operations.

Other key findings from the Pilot analysis include:

- Residential and small C&I customers responded to dynamic rates in spite of relatively mild summer conditions (a further description of how weather was modeled is presented in Appendix A, pages 29 to 32; as well as Appendix B, pages 6 & 7).
- Residential customer demand response impacts compare favorably to those of other Pilots (a comparison to other known residential Pilots is presented in Appendix A, page 15).

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- For Residential customers as well as C&I customers, “passive” technologies had no statistically measureable impact on customer behavior. See Appendix A, pages 43 and 45.

Customer Savings and Satisfaction

According to post-pilot survey results, most customers surveyed were satisfied with the Pilot and 92 percent of Residential and 74 percent of C&I customers would participate again. Residential customers rated their overall satisfaction of the program at 5.1 out of 6, while C&I customers rated their satisfaction a 4.1 out of 6.

On average, Residential customers saved \$15.21 over the course of the Pilot and rated their overall satisfaction of the program at 5.1 out of 6. The one hundred and fifty four low income customers who participated in the Pilot saved \$8.07, on average. C&I customers, on average, paid an additional \$15.45 over the course of the Pilot and were also satisfied with a rating of 4.1 out of 6. Customers who logged on to the web site saved more, with the average Residential customers saving \$24.69 and C&I customer saving \$0.14

The Company gathered feedback from customers in a post-Pilot satisfaction survey. Information gathered through the post-Pilot survey included reasons for participating, overall satisfaction, likelihood to participate again and, satisfaction with enabling technology and actions taken during peak time.

Almost 90 percent of both C&I and Residential customers surveyed stated that they joined the Pilot to save money. Sixty-seven percent of Residential, but only 52 percent of C&I customers were motivated to join the Pilot in order to positively impact the environment. Customers who joined the Pilot to positively impact the environment were more satisfied than customers who joined to save money.

Residential customers on the CPP rate were most satisfied, followed by PTR and TOU customers. Residential customers with the smart switch were most satisfied, followed by customers with the Energy Orb and no technology. Residential customers with the smart thermostat and in-home energy display were least satisfied with their participation in the Pilot.

C&I customers overall were satisfied, but less so than Residential customers and on average rated their satisfaction in the Pilot as 4.1 out of 6 and their likelihood to participate again as 4.4 out of 6. C&I customers on the CPP rate were also most satisfied, followed by TOU and PTR customers. C&I customers with the smart switch were the most satisfied, followed by the smart thermostat, no technology and last, the Energy Orb.

The Company also held focus group sessions for limited-income and elderly Pilot participants. The findings in these focus groups were almost identical to the post-pilot surveys, with no surprises. Customers did make a few specific recommendations that will enable the Company to improve the effectiveness of customer communication going forward. For example, more informational communication to TOU customers and fewer phone calls to PTP and PTR customers. Focus group videos and transcripts are available to the Department, on request.

See Appendix C (Plan-it Wise Customer Experience) for more detailed customer feedback.

B. ADVANCED METER STUDY RESULTS

This section of the filing provides a discussion of the technical capabilities, effectiveness and reliability of the advanced meters that were part of the Pilot.

RESULTS OF CL&P PLAN-IT WISE ENERGY PILOT

In 2008, the Company performed a technical test of two AMI Mesh metering solutions with 500 meters, split between two mesh vendor solutions (“AMI Mesh Pilot”). The results of that AMI Mesh Pilot concluded that the AMI mesh solutions “worked as designed”, but core capabilities like remote service activation, had room to mature.

In this Pilot, the Company set out to test a two-way fixed radio AMI solution. The Sensus FlexNet two-way radio AMI infrastructure and meters were deployed in the Stamford and Hartford areas to successfully read Residential customers hourly energy usage. The AMI metering solution effectively read hourly usage consistently and without meter communication failures. 98.68 percent of hourly reads were captured by the first day of each Pilot customer’s billing window and 100 percent of Pilot customers were read and billed on time during the Pilot. While core AMI capabilities have matured since the original 500 meter AMI Pilot, critical emerging capabilities, like the ability to remotely apply security software patch upgrades, are still maturing.

The maturity of critical AMI capabilities will be dependent on the development of standards. During the past six months, AMI standards development has gained structure and momentum. The development of AMI standards is being led by the National Institute of Standards and Technology (“NIST”) working groups. The NIST plan is to complete the development of the most critical AMI standards, which include security and HAN integration, by the end of 2010. CL&P’s parent company, Northeast Utilities, is participating in these key working groups. Once the standards are developed, it will take time for the meter manufacturers to implement them and additional time for the capabilities to achieve stability and maturity.

In addition to gaining AMI experience, the Company gained experience with enabling technologies and learned first-hand that Residential smart thermostats are still immature from a technology and a customer usability design perspective. Integration of price and controlling signals through the meter, also referred to as HAN communication, to smart thermostats is also still low on the maturity curve. The effort to set up and provide customer education and customer support for in-home devices was more significant than expected.

Appendix D (AMI Supporting Data and Enabling Technology Results) provides more AMI technology results and information, including details on the Pilot AMI technology results, the experience with each of the enabling technologies, and an industry update on AMI standards.

C. NEXT STEPS

The Company recommends that the Department schedule a technical session that will include participation by The Brattle Group (“Brattle”), which will allow the Company to present the Pilot results, methodology and a comparison to other utility pilots in detail. A technical session will also provide the opportunity for the Company and/or Brattle to address questions and enable discussion of aspects of the Pilot and its results to all interested parties.

On or before March 31, 2010, the Company will submit a recommendation on the optimal AMI deployment supported by dynamic pricing rates as informed by the Pilot results. This will include a detailed cost benefit analysis of multiple AMI deployment scenarios and an assessment of different dynamic pricing rate solutions, coupled with customer participation assumptions. The solution will also perform demographic analysis of the results and integrate findings into the AMI dynamic pricing solution recommendation.

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D. CONCLUSION

CL&P finds that there was significant value in testing Connecticut customer interest in, and response to, time-based pricing rates. As observed in other utility rate Pilots, CL&P's customers responded most to the "peakiest" rates with the highest price differential. CL&P customers achieved a lower reduction in peak load through the eight-hour TOU rate compared to other utility pilots. Customer feedback and a comparison to other utility's retail TOU rate offerings indicate that the duration of the TOU period is a barrier. The Company gathered many lessons learned from a customer education, customer behavior and an operations perspective that will be leveraged in future planning.

From a technical perspective, the Company gained experience with a second AMI technology - two-way Fixed Radio. While CL&P learned that the 2-way Fixed Radio AMI technology also works as designed, critical AMI capabilities must continue to mature and standards must be developed in order to make a well-informed specific AMI technology selection. In addition to CL&P's Pilot, other utility deployments are also making material progress. However, many industry experts are cautioning about future setbacks as companies will need to integrate standards that won't be established until the end of 2010 and likely won't be integrated into meters until 2011.

The customer insight and technical experience results will be critical in developing the design and cost benefit analysis of any future CL&P AMI deployment. The Company valued the opportunity to gain this insight and looks forward to completing the analysis to provide a well-founded AMI and dynamic pricing recommendation in the months ahead.