

CHAIRMAN
Martin P. Honigberg

COMMISSIONERS
Robert R. Scott

EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-3878

Website:
www.puc.nh.gov

NHPUC 26MAR'15PM4:13

March 26, 2015

Debra Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

**Re: Docket No. DE 15-073; Public Service Company of New Hampshire,
d/b/a Eversource Energy
Request for Waiver of Puc 909.08(h)**

Dear Ms. Howland:

In this letter, Staff recommends that the Commission grant Eversource's request to waive Puc 909.08(h) and extend until May 1, 2016, the deadline for Eversource to seek approval of costs "necessary to upgrade its information systems in order to implement group net metering."

The 2013 statute that established group net metering provides that "hosts shall be responsible for any costs necessary to upgrade a utility's information systems in order to implement this paragraph, as determined by the commission." [RSA 362-A:9, XIV\(d\)](#). The relevant rule subsequently adopted by the Commission provides as follows:

Any distribution utility that seeks to impose upon hosts the costs necessary to upgrade its information systems in order to implement group net metering as authorized by RSA 362-A:9, XIV(d), shall, within 90 days of the effective date of this rule, file with the commission sufficient information for the commission to determine whether the proposed costs are reasonable. Upon receipt of that filing, the commission shall open a docket and expeditiously determine the distribution utility's reasonable costs necessary to upgrade its information systems in order to implement this chapter, and determine how to allocate those costs among hosts.

[Puc 909.08\(h\)](#) (emphasis added). The effective date of Puc 909.08(h) is January 7, 2015. *Id.* The 90 day deadline expires on April 7, 2015.

In this docket Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) requested a waiver of the 90 day deadline. Eversource stated that it "has not yet had the opportunity to fully assess whether upgrades to its information systems are needed, nor has the potential scope or cost of any prospective changes been determined." [Eversource Waiver Request](#) at ¶3. Eversource represented that it "has been able to address the needs of the law and rules through the

implementation of various manual processes.” *Id.* at ¶4. Eversource noted that it “has not determined that it will, in fact, seek to recover its potential costs from group hosts.” *Id.* Eversource argued that it “would be onerous to require [it to] create an analysis of potential costs for systems that have not been developed, and that will not be developed until a demonstrated need arises.”

Eversource alleged that waiving the 90 day deadline of Puc 909.08(h) satisfies the requirements of Puc 201.05. It argued that the waiver “will not disrupt the orderly and efficient resolution of matters before the Commission” because there are no matters now pending that relate to Puc 909.09(h). Eversource also argued that a waiver is in the public interest given the “recent vintage” of the group net metering statute and rules. Eversource Waiver Request at ¶3.

The Commission has approved 40 hosts in Eversource’s service territory (with the 41st application pending). Of the 40 approved Eversource hosts, 11 are not yet on line and one project was apparently cancelled. The Eversource hosts collectively have 287 members.¹

The group net metering tasks that Eversource must perform which may require an “upgrade [its] information systems” include the following. Eversource must track which customer-generators have become hosts and make monthly payments to those hosts for their excess generation, as opposed to giving bill credits as it does for other net metering customer-generators. Eversource must annually calculate whether the group’s members used more energy than the host generated. If not, Eversource may bill the host for the amount the host was overpaid for that excess generation. Eversource must also file an annual report with the Commission providing basic data related to its group net metering customers. *See* Puc 909.08, “Duties of the Distribution Utility.”

Staff submitted data requests to Eversource regarding this waiver. In response, Eversource stated that other utilities under the Eversource umbrella administer group net metering in Massachusetts (NSTAR and WMECO) and Connecticut (CL&P) under substantially different group net metering regimes. Eversource affiliates in Massachusetts have almost 700 hosts, which have from 1 to more than 100 members. CL&P does not yet have active hosts, although a number of projects are being developed. CL&P and WMECO use a combination of their existing billing systems and manual processes to implement group net metering in Massachusetts. Only parts of these computer systems are compatible with those used in New Hampshire, and, according to Eversource, “any effort to automate manual actions will need to be tailored for each state.” Eversource reported that NSTAR spent approximately \$740,000 to upgrade its billing system to process Massachusetts’s version of group net metering, which billing system is not compatible with that used in New Hampshire, according to Eversource.

Staff recommends that the Commission grant the waiver requested by Eversource and extend the deadline in Puc 909.08(h) to May 1, 2016. Staff’s reasoning follows.

Staff agrees with Eversource’s argument that it is premature to force a cost analysis now for a problem that may never require a computer-based solution. If the number of group net

¹ Unutil has 1 approved host with 3 members, which is not yet online. The NH Electric Cooperative has 2 hosts, 1 is on line with 3 members. Liberty has 3 approved hosts, 2 are on line with a total of 4 members.

metering customers remains small enough for Eversource to economically process them manually, such an analysis would have been a waste of resources. Indeed, Eversource acknowledged that it may never make a filing under Puc 909.08(h). Staff does not want to force Eversource to make a filing under Puc 909.08(h) merely to preserve its rights to seek recovery of costs that it otherwise may not have requested.

Staff also appreciates that all stakeholders are going through the first full year of group net metering and are now going through the annual report process for the first time. The knowledge gained through this inaugural journey will better inform whether the utilities will need to upgrade their systems and seek recovery under Puc 909.08(h).

The only countervailing interest Staff identified is the uncertainty created by a delay in seeking cost recovery under Puc 909.08(h). Hosts do not know whether they will be charged for computer upgrade costs, how much they may be charged, and when any such charge will be known. Staff heard anecdotally from developers during the rulemaking process that they are concerned about this uncertainty. Setting a firm date for the utilities to make a filing under Puc 909.08(h) was intended to resolve that uncertainty.

Balancing these competing interests, Staff recommends that the Commission grant the waiver requested by Eversource and extend the deadline to May 1, 2016. This would provide the hosts and Eversource the experience of more than one full year of operation and two cycles of annual reports. Eversource should then have a better understanding of whether system upgrades will be necessary. An extension will also avoid unnecessary costs of a premature filing to meet the current deadline. Staff believes these benefits outweigh the hosts' uncertainty regarding potential future costs.

Note that Staff is making a similar recommendation in Docket No. DE 15-092, a waiver request by Liberty Utilities (Granite State Electric) Corp., d/b/a Liberty Utilities.

Sincerely,



Elizabeth Nixon
Energy Analyst, Sustainable Energy Division



Michael Sisto
Utility Analyst, Consumer Affairs



Michael J. Sheehan, Esq.
Staff Attorney

cc: Commissioners
Service list

28 4

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov
amanda.noonan@puc.nh.gov
james.brennan@oca.nh.gov
leszek.stachow@puc.nh.gov
matthew.fossum@psnh.com
michael.sheehan@puc.nh.gov
ocalitigation@oca.nh.gov
susan.chamberlin@oca.nh.gov
tom.frantz@puc.nh.gov

Docket #: 15-073-1 Printed: March 26, 2015

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
- DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.