

# DE 17-136 Lost Revenue Working Group

March 15, 2018

## Agenda

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### 1. Welcome

### 2. Utilities (Eversource, Liberty and Unitil) discuss their responses to questions from the 2-28-2018 Working Group Meeting

- Derivation of kW Demand Savings – “Maximum Demand Factors” (MDF):

- Uniformity: Whether Eversource can develop a uniform methodology for determination of kW demand savings based on the formula used by Liberty and Unitil – i.e.,  $\text{annual kWh savings} \times \text{MDF} = \text{annual kW demand savings}$
- Supporting Documentation: Whether Eversource, Liberty and Unitil can distill the extensive measure-level data in the Utility Model into a summary level document for planning purposes.

Illustration: Supporting documentation is illustrated by the Lighting Project provided by Mary Downes (see LBR website). Although there are almost a hundred measures in this project, the invoice for the project shows the components of an overall MDF – i.e., kWh savings and kW savings. Further, if many other such projects exist, as Mary indicates, a summary of all such projects could be compiled and an overall MDF calculated.

Could Mary’s illustration be used to provide summary-level supporting documentation by end-use – i.e., for Lighting...Cooling...Heating...and Process?

- Additional Question - Confidence Limits – i.e., given that EM&V does not achieve 100% confidence, usually only 90% confidence, should the Utilities incorporate a 10% degradation factor to its kW demand savings estimates?

- Average Distribution Rates (ADR) – “Separate” Methodology:

- Each Utility provides a “separate” kWh and kW ADR calculation, based on “separate” methodology

- Billing Determinants: Whether “final” 2017 ADR will be calculated based on 2017 billing determinants and Tariffs effective in 2017.

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### 3. Understanding C&I Tariffs:

Utilities discuss their respective Tariffs, with particular emphasis on how “ratchet” adjustments impact the calculation and timing of kW demand savings for purposes of calculating LBR:

- Discussion of Tariffs is by Utility, by Class?
- How will the Utilities calculate the impact of “ratchets”?
- What percentage of calculated kW demand savings will actually result in lost revenue?
- Will Ratchets be analyzed by Measure, by month?
- What adjustments will be made for purposes of calculating lost revenue?
- Other?

### 4. Homework Assignment for Utilities for 4-11-2018 Working Group Meeting:

- Each Electric Utility (Eversource, Liberty and Unitil) discuss any follow-up responses from the 3-15-2018 working group meeting
- Utilities provide a preliminary draft of the LBR calculations, based on program year 2018 data including:
  - Introduction/Executive Summary
  - Glossary of Terms
  - Derivation of kW savings
  - Derivation of Average Distribution Rates (ADR)
  - Understanding C&I Tariffs, particularly application of “ratchets”
  - Appendix – Templates, Supporting Schedules, Sources, other