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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

April 19, 2011 - 2:06 p.m.  
Concord, New Hampshire

NHPUC APR28'11 PM 2:01

RE: DRM 10-216 RULEMAKING:  
RULE PUC 900, Electric Utilities -  
Net Metering.  
(Hearing to receive public comment)

PRESENT: Chairman Thomas B. Getz, Presiding  
Commissioner Clifton C. Below  
Commissioner Amy L. Ignatius

Sandy Deno, Clerk

APPEARANCES: (No appearances taken)

Court Reporter: Steven E. Patnaude, LCR No. 52

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**I N D E X**

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**STATEMENTS BY:**

|               |                    |
|---------------|--------------------|
| Ms. Hanscom   | 4, 30              |
| Mr. Eaton     | 9, 16, 18, 21, 23  |
| Mr. Labrecque | 14, 17, 20, 22, 27 |
| Mr. Roughan   | 26, 29             |

\* \* \*

**QUESTIONS BY:**

|                |               |
|----------------|---------------|
| Cmsr. Below    | 6, 17, 24, 30 |
| Cmsr. Ignatius | 14, 28        |

**P R O C E E D I N G**

CHAIRMAN GETZ: Okay. Good afternoon, everyone. We'll open the rulemaking hearing in Docket DRM 10-216. On February 23, 2011, the Commission voted to initiate a rulemaking for New Hampshire Code of Administrative Rules Part Puc 900, Net Metering for Customer-Owned Renewable Energy Generation Resources of 1,000 kW or less. The Initial Proposal presents a readoption of the existing 900 rules, with amendments. The proposed amendments reflect 2010 legislative changes to RSA 362-A, which, among other things, increase the size of eligible facilities and provide for alternative payment options.

A Rulemaking Notice Form was filed with the Office of Legislative Services on March 10. The order of notice in this, for our docket, was issued on March 18 setting the hearing for today. And, I also note that written comments may be filed up until April 29th.

The hearing is held pursuant to RSA 541-A:11 under the Administrative Procedures Act. So, the purpose of our hearing is to take public comments on the proposed rules. And, I'll note for the record that a quorum of the Commission is present.

So, with that, I take it everyone has

{DRM 10-216} {04-19-11}

1 seen the proposed rules. So, we'll turn to public  
2 comment, unless, Ms. Amidon, is there anything from Staff  
3 before?

4 MS. AMIDON: No thank you.

5 CHAIRMAN GETZ: Okay. Thank you. Then,  
6 we'll turn to Donna Hanscom.

7 MS. HANSCOM: Well, hello.

8 CHAIRMAN GETZ: Good afternoon.

9 MS. HANSCOM: I'm Donna Hanscom. I'm  
10 with the City of Keene. We are the proud owners of a new  
11 small hydroelectric generator system. It's been up and  
12 running for about a month. And, we participated in the  
13 net metering legislation that occurred last year, and have  
14 been following this this year to attempt to understand how  
15 much we would be paid for the excess electricity that we  
16 will be sending back to the grid. We're making more than  
17 we will use on site.

18 And, as I was going through the proposed  
19 changes, I have to admit I didn't understand them, and  
20 that was the biggest reason probably that I came here  
21 today was to get an education, but also just a couple of  
22 comments.

23 In looking at Section 903.02(i) and (j),  
24 I wasn't sure really, maybe it's because I don't

1 understand the jargon as well, what the difference is  
2 between those two options. There were two payment options  
3 for the generator to receive a payment for the excess  
4 electricity that was put back on the grid. Looks like the  
5 generator -- or, the utility can choose which one it wants  
6 to use to pay the generator with. And, I'm not sure why  
7 the utility, if one is worth more than the other, you  
8 know, if it costs -- if it's more profitable, I guess, to  
9 the generator, why the utility would choose to pick one or  
10 the other. And, I guess I didn't know why that was left  
11 solely -- that decision was left solely up to the utility.

12 And, then, I had a question. So, I  
13 understand, in reading these, that, for small generators,  
14 there's no option to be paid more based on the time of day  
15 that you're making the electricity. That is, if you're  
16 making it at peak demand hours, when it might be worth  
17 more, that that's not a portion of the payback, although  
18 it is for the larger generators. And, I think that for --  
19 that that same option ought to be open to the small  
20 generators, if they have the ability to manipulate their  
21 power creation, that they should have the ability to do  
22 so.

23 And, those are my two comments. And,  
24 hopefully, I'll learn, I guess, a little bit more about

1 what the rest of these mean.

2 CMSR. BELOW: To go back to your first  
3 question, where is it exactly that you had the question?

4 MS. HANSCOM: In (i), "Unless an  
5 electric distribution utility elects otherwise" --

6 CMSR. BELOW: Wait. Wait, wait, wait.  
7 I don't --

8 MS. HANSCOM: It's Page 6.

9 CMSR. BELOW: Oh, on Page 6.

10 MS. HANSCOM: Towards the bottom, it's  
11 the second to the last bullet from the bottom. This is  
12 the February 23rd, '11 --

13 CMSR. BELOW: Well, for some reason, I  
14 seem to have a different copy in front of me, but that's  
15 okay. This links back to the statute, which provides that  
16 they be paid the avoided cost or the utility has the  
17 option of voluntarily electing, under RSA 362-A:9, VI, to  
18 pay at a rate equal to the generation supply component of  
19 the applicable default service rate. So, I think that  
20 might --

21 MS. HANSCOM: Well, as I understand it,  
22 in talking with a representative of PSNH, it's about half  
23 the cost under (j) as it is under (i). And, those seem to  
24 be different numbers than what we were talking of last

1 year at the net metering legislation. We were thinking  
2 that it was 7 to 9 cents a kilowatt-hour is what the  
3 payback would be. And, I guess, under this (j), and I  
4 guess I didn't -- I don't think it was made clear at the  
5 time that the utility had the option to reduce that by  
6 that large an amount.

7 CMSR. BELOW: I can only refer you to  
8 the statute, --

9 MS. HANSCOM: Uh-huh.

10 CMSR. BELOW: -- where it was made  
11 simply an option of the utility. And, I think that has to  
12 do with reasons of federal law with PURPA. The State  
13 Legislature or the Commission couldn't mandate that they  
14 pay that cost, but they can choose to do that.

15 MS. HANSCOM: And, is there a reason why  
16 -- well, okay. That's fine. It doesn't make sense that  
17 the utility would choose to pay at a higher rate if it  
18 doesn't need to.

19 CMSR. BELOW: I think it may vary by  
20 utility. Because, for some of the other utilities that  
21 provide default service, the two rates may be virtually  
22 the same, so that it might be simpler just to pay the  
23 default service rate. I think, as I recall the  
24 discussions in the Legislature, that was one reason why

1 some utilities might want to select that option. PSNH may  
2 be in a different situation.

3 MS. HANSCOM: And, is there a way that a  
4 generator would know what that would be? Is there -- I  
5 understand that the default service filing, that the first  
6 one, the letter (i), is something that a generator could  
7 go in and look up, and, on (j), is that it doesn't seem  
8 like then it has that same ability to do so. "The  
9 generation supply component of the applicable default  
10 service rate."

11 Okay. In (i), it was the default  
12 service filing which we would be able to look up under the  
13 tariff --

14 MS. AMIDON: No, just the opposite.

15 MS. HANSCOM: Oh, it's just the  
16 opposite. Okay. That I wouldn't be able to look up (i),  
17 but I would be able to look up (j). Okay.

18 CMSR. BELOW: And, your other question  
19 was about time-based rates. And, I think that issue goes  
20 to the question of whether the customer's default service  
21 is a time-based rate or not. And, if it's not, then it  
22 would just be -- and for most people it's not, I mean,  
23 there's not presently a time-based rate option, but that's  
24 a possibility for the future.

1 MS. HANSCOM: It seems like it would be  
2 something that, if it was worth it to the generator to do  
3 that, that it would have to buy its own -- I understand,  
4 from the wording of this, it would have to buy its own  
5 meter. That it wouldn't be part of the meter that was  
6 supplied by the utility. But, if the generator thought  
7 that it was appropriate at that point to do it, seems like  
8 it should be an option for the generator to do so.

9 CMSR. BELOW: So, your comment is that  
10 there should be a better option for a time-based rate?

11 MS. HANSCOM: For small generators.

12 CMSR. BELOW: Uh-huh.

13 MS. HANSCOM: There is for large  
14 generators.

15 CMSR. BELOW: Okay. Thank you.

16 MS. HANSCOM: Okay. Thanks.

17 CHAIRMAN GETZ: Mr. Eaton.

18 MR. EATON: If the Commission wouldn't  
19 mind, we'd like to make a presentation on behalf of all  
20 the electric utilities. And, we'd like to do that with  
21 both myself and Mr. Labrecque. We've prepared some  
22 mark-up of the Initial Proposal, which I can pass out.

23 CHAIRMAN GETZ: That would be fine.

24 And, if there's any response to any of Ms. Hanscom's

1 comments, if you could address those, if possible.

2 MR. EATON: Now, first of all, for the  
3 record, my name is Gerald Eaton. And, with me today is  
4 Richard Labrecque, who is Manager of Supplemental Power  
5 Supply for Public Service Company of New Hampshire.

6 MR. LABRECQUE: Close.

7 MR. EATON: And, for the purposes of  
8 those following along with the text I passed out, the  
9 additions and corrections that the utilities agreed on are  
10 set forth in the green, the green text in this, in this  
11 version of the rules.

12 First of all, the utilities participated  
13 in the legislation that came about as Chapter 143 of the  
14 2010 laws. And, the utilities worked fairly long hours to  
15 provide comments on the existing 900 rules and suggestions  
16 of how they could be expanded to the larger -- the larger  
17 size generators. There is a very big distinction between  
18 the small generators and the large generators, and that  
19 has to do with the meter involved. The small generators  
20 remain pretty much as they were before, where the meter  
21 runs forwards and backwards. And, it's read once a month,  
22 and that's what the net energy usage is. And, if it's  
23 negative, the credit can be carried forward. And, it can  
24 apply to all charges.

1                   The legislation provides a new category  
2     for large customer generators over 100 kilowatts to 1,000  
3     kilowatts. And, they have a meter that records all the  
4     kilowatt-hours that are delivered to the customer and all  
5     the kilowatt-hours that are delivered to the system from  
6     the customer's premises. And, some of the suggestions  
7     we've made for corrections tries to get away from language  
8     of "kilowatt-hours generated by the facility" or the  
9     "customer's usage". Because inside the customer's  
10    premises is usage and generation often going on at the  
11    same time. And, the only thing that really matters is  
12    what that meter registers. We're not really recording the  
13    customer's usage in this case and we're not really  
14    recording the output of the generator. What comes out  
15    onto the PSNH system is generation, minus the customer's  
16    usage. Because, as the definitions point out, the  
17    generator, I'm looking at definition 902.01, and it -- the  
18    generator "operates in parallel with the electric grid,  
19    and is used in the first instance to offset the customer's  
20    own electricity requirements." So, for clarity purposes,  
21    we get down into the detail of talking about the  
22    kilowatt-hours delivered to the meter and the  
23    kilowatt-hours that are delivered to the system from the  
24    customer's premises.

1                   And, the utilities met last week and  
2 worked on these suggested changes. And, I'll go through  
3 them one at a time now. The first, the first section we  
4 talk about is 901.02(b). And, utilities have suggested  
5 that their interconnection practices need not be set forth  
6 in a tariff filed with and approved by the Commission.  
7 Currently, there are no rules for how to handle the  
8 interconnection of a net metered customer between 100 and  
9 1,000. And, the filing of a tariff and approval by the  
10 Commission will take even further time to do that.

11                   If the Commission looks at the major  
12 portion of the rules, which is everything from 904, on  
13 Page 7 of these rules, through Page 28, there are very few  
14 changes in that section. And, much of those have come  
15 from the existing 900 rules. And, they go into a great  
16 deal of detail about interconnection standards. And, we  
17 currently have requirements, Public Service Company  
18 anyway, has requirements for the interconnection of  
19 electric service customers. And, it's a detailed booklet  
20 that has charts and requirements for single service and  
21 three phase service being connected to our distribution  
22 system. And, this pamphlet is incorporated into our  
23 tariff and referenced into our tariff, but it's not --  
24 it's not approved by the Commission like tariff pages.

1 And, we're thinking the formality of a tariff page  
2 approach, following the Commission's tariff filing rules,  
3 will be cumbersome and won't allow utilities to either  
4 make the interconnection requirements that are -- that  
5 should be applied to particularly different applications  
6 for larger generators. And, therefore, we'd like to be  
7 able to reference the practices that utilities use.

8 And, quite frankly, if they're  
9 non-inverter based types of installations, they can be  
10 site-specific, as well as machine-specific. A generator  
11 that wants to interconnect on South Willow Street or  
12 Loudon -- in Manchester, or Loudon Road in Concord, will  
13 be treated a lot differently than one on Route 3 in  
14 Colebrook, because of the difference and the effect that  
15 might have on the surrounding system. And, attempting to  
16 take that type of approach and putting it into tariff  
17 terms would be very difficult. And, we don't -- where so  
18 many of these are site-specific, we would like the  
19 flexibility to have our practices on file with the  
20 Commission and available on our website and the  
21 Commission's website, but not be subject to the formal  
22 requirements of a tariff filing.

23 And, also, certain -- certain  
24 installations will take more time in developing a

1 interconnection study. And, we think the utilities are  
2 entitled to -- entitled to recover all their costs of the  
3 interconnection, and that cannot be really translated into  
4 standard prices and terms of a tariff.

5 CMSR. IGNATIUS: Mr. Eaton, before you  
6 move on, I understand your argument about the formality of  
7 putting things into tariff language. But your last  
8 comment was that "it would be hard to put pricing in".  
9 Whatever the format is, you need to give those customers  
10 good price information to rely on, don't you? So that,  
11 does it make a difference in that -- however it's written  
12 down and whatever the piece of paper looks like, do you  
13 expect to be able to give good price interconnection cost  
14 information to customers?

15 MR. EATON: Maybe Mr. Labrecque could  
16 complain what we do now and explain why that would be  
17 difficult to set a standard price for an interconnection  
18 study.

19 MR. LABRECQUE: Yes. I wouldn't, again,  
20 whatever vehicle they take, I wouldn't expect firm pricing  
21 or actual prices for certain services to be included in a  
22 tariff or a set of guidelines. Basically, it's all done  
23 at cost. And, you know, interconnection studies are done  
24 at engineer's time; physical interconnection work is done

1 at actual time and material. So, those types of practices  
2 would be clarified in a requirements document, but actual  
3 pricing would not. There are some jurisdictions around  
4 New England that have things like application fees or  
5 processing fees. There's nothing on file now in New  
6 Hampshire like that.

7 But our green lines here in this  
8 document were basically just pointing out that the  
9 language, as written, it looks like it could be  
10 interpreted as delaying the implementation of these rules  
11 until an investigation into standard interconnection  
12 practices or some kind of standardized document was  
13 developed that all intervenors agreed to, which I believe  
14 is what happened a few years ago with the "less than 100  
15 kVA" interconnection standards.

16 So, we thought if, instead of the  
17 wording as is, it was "practices filed with the Commission  
18 and posted on each utility's website", that would be  
19 utility-specific practices. They would be available to  
20 the Commission for review. If the Commission or Staff or  
21 consultants to the Commission looked at those documents  
22 and had some disagreements, questions, that could all take  
23 place while these rules were in effect. And, if anything  
24 further came from that informal review, like we need to

1 open an investigation into standardized practices, that  
2 would all take place while these rules were already in  
3 effect. That was kind of the basis for this change.

4 CMSR. IGNATIUS: Thank you. That's  
5 helpful.

6 MR. EATON: Moving onto the first  
7 definition of "customer-generator" in PUC 902.01, we  
8 believe the legislation specifically crossed out the word  
9 "and" and inserted the word "or". That's found at  
10 Section 143:2 of Chapter 143. And, so, that suggestion is  
11 just putting that back in as what the legislation  
12 requires.

13 The next section that we're commenting  
14 on is found at the bottom of Page 3.

15 MR. LABRECQUE: Jerry, there's one other  
16 change, towards the top of Page 3, that's just to be  
17 consistent with the change we just discussed. Eliminating  
18 the word as set forth in the tariff.

19 MR. EATON: At the bottom of Page 3, in  
20 903.01(n), we suggest that the language should simply be  
21 limited to what's provided in the statute, which says "all  
22 costs of interconnection is -- shall be the responsibility  
23 of the customer-generators." With the word "physical  
24 interconnection", that suggests that maybe an engineering

1 study is not covered by that, because that just describes  
2 the physical interconnection. And, this -- we believe  
3 that it should just be limited to the statute and should  
4 not -- should not be expanded beyond that.

5 On Page 4, --

6 MR. LABRECQUE: Want me to take this  
7 one?

8 MR. EATON: Yes.

9 MR. LABRECQUE: Yes. On Page 4,  
10 903.02(c)(1), the changes there are -- the language in the  
11 Initial Proposal, it's not feasible to do what it's saying  
12 with a single meter. You know, this might just be  
13 semantics, but we thought it was more clear that a single  
14 meter does not "measure both the customer's use and the  
15 production from the customer's facility". That, to me,  
16 read like or to us read like a meter on the output of the  
17 generator versus the single meter. And, we don't think  
18 our changes are in any way material to the program. And,  
19 under (c)(2), it's also just some changes for the sake of  
20 clarity. There's nothing material going on there, other  
21 than providing some clarity.

22 CMSR. BELOW: You have the word  
23 "production" struck there. Is that correct?

24 MR. LABRECQUE: Yes. I mean, without

1 our mark-up, I guess it was reading "total amount of  
2 electricity that the customer takes from the distribution  
3 utility and the...production from the customer's  
4 generating facility", which, again, just could be read as  
5 "the output of the generating facility".

6 CMSR. BELOW: So, to clarify, you think  
7 a bidirectional metering system -- I guess I still don't  
8 quite understand. If it was measuring the "total amount  
9 of electricity the customer takes from the distribution  
10 utility and the total amount of excess electricity from  
11 the customer's generation facility", are you aiming to  
12 only look at the amount that flows back into the grid, as  
13 opposed to the production of the unit?

14 MR. LABRECQUE: Correct.

15 CMSR. BELOW: Okay.

16 MR. EATON: Another way of stating that  
17 would be "the kilowatt-hours delivered from the  
18 distribution system netted against the kilowatt-hours  
19 delivered to the distribution system through the  
20 customer's meter." So, we're only talk about  
21 kilowatt-hours coming in and kilowatt-hours going out  
22 through that meter, and we're not talking about something  
23 behind the meter, which is the customer's use and the  
24 generator's production, which aren't separately metered.

1           Now, on (c)(2), again we were looking to  
2 get rid of the "production" and the "excess electricity",  
3 we added the words "metering system", because these are  
4 more sophisticated meters than simply a meter, like the  
5 one used for the small customer-generators.

6           I think the next item we have is on Page  
7 5, under 903.02(f)(3). And, we added the language of --  
8 that if there are any net -- "net of any carry forward  
9 credits" that are provided in the section below,  
10 "903.02(f)(5)a", that would be part of the billing for  
11 that customer. In the next section, (4)(a), we think  
12 that's just a typographical change, the "distribution  
13 system" instead of "distribution period".

14           And, on Page 6, this is Section (g)(3)  
15 -- I'm sorry, yes, Section (g)(3). We added some language  
16 for clarification. "Shall be billed all applicable  
17 charges on kilowatt-hours supplied to the customer over  
18 the electric distribution system less a credit on default  
19 service charges equal to the metered energy fed into the  
20 electric distribution system over a billing period." This  
21 could be done in a number of ways. What we were  
22 describing here in words is, there's one meter that's  
23 going to be registering all the kilowatt-hours coming in.  
24 And, if you initially -- this is for a large customer,

1 right?

2 MR. LABRECQUE: Yes. And, it's a single  
3 meter, but with two channels, or at least two, you know,  
4 an input channel and an output channel.

5 MR. EATON: So, if you first commuted  
6 the bill based upon all the kilowatt-hours coming in, as  
7 you would for a customer that didn't have generation, you  
8 would charge them for default service on that initial  
9 calculation, and then you credit the customer for all the  
10 kilowatt-hours that go out through the other channel that  
11 measures the outflow and give him a credit for default  
12 service, you're essentially net metering the default  
13 service to that customer. The other way to do it would be  
14 to charge the kilowatt-hour charges everything but default  
15 service for all the kilowatt-hours coming in. And, then  
16 net the two readings, of the in for the billing period and  
17 the out for the billing period and credit or charge for  
18 default service. It's semantics, the machine works the  
19 way it does, but that was our way of describing it. And,  
20 we think it works mathematically, too.

21 MR. LABRECQUE: And, most, if not all  
22 the changes on this Page 6, at least the top half of  
23 Page 6, were because of this is a very important point in  
24 the distinction between the way small and large are

1 billed, and it looked like a -- either left ambiguous or  
2 in need of stressing the point that large is billed  
3 differently than small, so that's -- we've added some  
4 language here, mostly, you know, or totally consistent  
5 with the statute to clarify that distinction.

6 MR. EATON: Again, on Section (4) for  
7 that first section, we talked about electricity "delivered  
8 from the distribution system", as opposed to "consumed by  
9 the consumer". And, in (4)(a), "the surplus electricity  
10 fed into the distribution system will be calculated by  
11 subtracting the kilowatt-hours supplied over the electric  
12 distribution system from the kilowatt-hours fed back into  
13 the distribution [system] for the billing period." And,  
14 "the distribution utility shall use zero kilowatt-hours  
15 when calculating default service charges. The  
16 customer-generator shall be billed all other applicable  
17 charges on all kilowatt-hours supplied to the customer  
18 over the electric distribution system." "Surplus  
19 electricity fed into the distribution system by the  
20 customers receiving default service from the distribution  
21 utility shall be credited over subsequent billing periods  
22 for default service charges only." This was -- this was  
23 to distinguish that what applies to the utilities involved  
24 is simply the default service charges, as far as energy

1 charges. That we don't believe these rules were designed  
2 to cover competitive suppliers who are supplying energy  
3 service to customers. So, in the case of the large  
4 customers, that we emphasize that it was applicable to  
5 default service.

6 Again, in Section (h), the reason we  
7 took out Section (5) is because both (4) and (5) described  
8 a negative situation. And, so, we just figured (4) could  
9 be combined with (5) and listed as "a", "b", "c", and "d".

10 Under Section (j), at the bottom of  
11 Page 6 -- I'm sorry, (i), at the bottom of Page 6, we  
12 believe that the avoided energy cost for energy and  
13 capacity is governed by PURPA, and therefore it should be  
14 determined periodically by the Commission consistent with  
15 the requirements of PURPA.

16 MR. LABRECQUE: And, again, that's -- I  
17 believe that's word-for-word from the statute. And, we  
18 were concerned with the remainder of the section that we  
19 struck in our draft, where it said "in each utility's  
20 default service filing", because I'm not -- I'm not  
21 convinced that, at least in the case of PSNH, that our  
22 default service filing establishes our avoided cost for  
23 energy and capacity. So, I think the way -- with the  
24 green changes, I think Section (i) would leave it, you

1 know, not explicitly spelled out how we were going to do  
2 this, but something that would need to be determined as we  
3 move through implementing the payment of surplus at  
4 avoided cost rates. You know, I guess, as worded, it's  
5 determined periodically by the Commission. That's  
6 certainly acceptable to the utilities. But it's not  
7 exactly determined here exactly in the law, in the rules  
8 as written. You know, we would envision some form of  
9 annual ISO-New England rate, you know, being used as an  
10 avoided cost, at least in the case of PSNH.

11 MR. EATON: The next section we comment  
12 on is Section (o), on Page 7. We added some more language  
13 to clarify what would be -- what should be considered in  
14 developing a time-based net energy metering tariff.

15 MR. LABRECQUE: And, again, those words  
16 are taken right from the statute, the words that we added.

17 MR. EATON: Now, mercifully, that is the  
18 majority of our comments. And, as I pointed out in my  
19 initial discussion, the rules go on for quite a while  
20 describing terms and conditions and specifics about  
21 interconnection, which have been developed over the years  
22 based on the first 900 rules, and then those were  
23 re-promulgated, and now this has added more. But the  
24 Commission didn't have many changes in that area, and

1 neither did the utilities.

2 I'd point out on Page 20, on 905.06(d),  
3 that we believe that section doesn't conform with the  
4 statute that says the -- that the customer-generator pays  
5 all the costs of the interconnection, that that was  
6 inconsistent with the statute and the earlier rule that we  
7 commented on. And, just again, on Pages 26 and 27, there  
8 was a reference to the former standard of "1.0 percent" of  
9 the utility's annual peak, and we suggest substituting  
10 that with the "limits defined -- identified in the  
11 Commission's proposed Rule 903.02(b)", which also comes  
12 out of the enabling legislation, which is 50 megawatts  
13 statewide, divided up based upon each utility's  
14 contribution to the peak.

15 CMSR. BELOW: I have a question on that,  
16 Mr. Eaton. Do you think it might be possible, since we're  
17 now three and a half months into 2011, to go ahead and --  
18 for the utilities to go ahead and provide comment that  
19 they could all agree what those percentages are, and then  
20 we might finalize the rule by actually specifying those in  
21 the rule, since we should -- since that should be knowable  
22 at this point? Rather than leave it something that has to  
23 be noticed by a letter or some other proceeding, just for  
24 administrative efficiency. I think at the time we were

1 drafting this we weren't sure, we didn't know that number  
2 for sure. But, if we do know that, maybe we could go  
3 ahead and just spell it out. Because the statute links it  
4 to the 2010 annual coincident peak, each utility's share  
5 of that.

6 MR. EATON: And, the statute then  
7 freezes it there?

8 CMSR. BELOW: Yes. I believe so.

9 MR. EATON: Well, that, as long as there  
10 -- I would agree with you, as long as there is a fixed  
11 measure that doesn't change based upon a aluminum smelter  
12 being located in Salem, which would take the National Grid  
13 percentage up, if this had to change every year, then I  
14 wouldn't suggest it be in the rules. But, if it's one  
15 fixed point in time, which we do know now, that would make  
16 sense.

17 CMSR. BELOW: Yes. I think that's at  
18 RSA 362-A:9, I, the last sentence, which is a long  
19 sentence, that says "Such tariffs shall be available on a  
20 first-come, first-served basis within each electric  
21 utility service area under the jurisdiction of the  
22 Commission until such time as the total rated generating  
23 capacity owned or operated by eligible customer-generators  
24 totals a number equal to 50 megawatts multiplied by each

1 utility's percentage share of the total 2010 annual  
2 coincident peak energy demand distributed by all such  
3 utilities as determined by the Commission."

4 So, I guess what I'm asking, there's  
5 going to be a comment period that remains open. If you're  
6 able to provide that, then we could go ahead and determine  
7 it as part of this rule and fix it in the rule. Thank  
8 you.

9 MR. EATON: I think we can do that.

10 MR. ROUGHAN: Yes. I think, I remember  
11 the exercise we went through with Orr & Reno --

12 (Court reporter interruption.)

13 MR. ROUGHAN: Oh, I'm sorry. Tim  
14 Roughan, with National Grid. We went through this  
15 exercise with Orr & Reno last fall, and we were trying to  
16 get clarity on this number, just for what you're  
17 suggesting. And, I think that the dilemma was, we all had  
18 our peak loads and we knew what they were, but they  
19 weren't in the same hour. All right. The ISO, with the  
20 statewide peak, didn't meet all of our peaks. So, then,  
21 we had to go back and we never finished this exercise back  
22 then. So, we'd have to go back, understand what hour  
23 we're looking at, and then, from there, we can come up  
24 with that number.

1 CMSR. BELOW: I would think that the  
2 annual coincident peak would be the highest peak day for  
3 the entire state, and then we'd look at what each  
4 utility's coincidence with being --

5 MR. ROUGHAN: What that hour was,  
6 exactly.

7 CMSR. BELOW: -- what the annual peak  
8 is.

9 MR. ROUGHAN: Exactly.

10 CMSR. BELOW: Okay.

11 MR. ROUGHAN: But, in turn, that our  
12 peaks weren't quite --

13 CMSR. BELOW: Right.

14 MR. ROUGHAN: -- lined up with that peak  
15 hour.

16 CMSR. BELOW: Right. You didn't know  
17 which exactly --

18 MR. ROUGHAN: But we can look at that.

19 CMSR. BELOW: Okay. Thanks.

20 MR. LABRECQUE: Just one last green edit  
21 on the final Page 28, in Item (d). And, this is just  
22 essentially a typo, a carryforward, something we just  
23 noticed a few days ago from when this -- these rules were  
24 changed from, I believe, "25 kW" to "100 kW", there were

1 some section numbering changes, lettering, and this didn't  
2 keep up. Well, it's a combination of a typo and a failure  
3 to keep up. So, we've made it consistent with what we  
4 believe it should be referring to.

5 CMSR. BELOW: Where is that?

6 MR. LABRECQUE: Last page, 28.

7 CMSR. BELOW: Oh, I see. Last page.

8 Okay. Thanks.

9 CMSR. IGNATIUS: One other question,  
10 Mr. Labrecque. On the discussion about "interconnection  
11 costs" and "should they be in the tariff or otherwise",  
12 one area that described tariff pricing for interconnection  
13 costs that you didn't identify, and maybe for good reason,  
14 so I just want to clarify, is on Page 20, Section 905.07.  
15 It's immediately under one of your green sections. And,  
16 this is for tariff -- excuse me, for interconnection  
17 upgrades up to the customer's meter. Is that something  
18 that the rule, as written, works from your perspective or  
19 do you think that also would benefit from the same kinds  
20 of edits you've made elsewhere?

21 MR. LABRECQUE: Well, I think -- no, I  
22 think we're fine with that. That's basically saying, if  
23 the customer puts in a generation resource of sufficient  
24 size, such that their transformer needs to be upgraded or

1 their service drop needs to be reconducted or their  
2 whole neighborhood now needs to be reconducted or  
3 something like that, that, however the utility normally  
4 addresses those situations, you know, for line extensions  
5 or whatever, a new customer construction, it will handle  
6 it the same way. Which I believe is a long way of saying  
7 "the customer is going to pay for it", but in accordance  
8 with the tariff.

9 CMSR. IGNATIUS: Thank you.

10 MR. LABRECQUE: Unless anyone has  
11 anything else to add there, I think that's accurate.

12 CMSR. IGNATIUS: Thank you.

13 CHAIRMAN GETZ: Is there anything from  
14 any of the other utilities?

15 MR. ROUGHAN: Tim Roughan, National  
16 Grid. You know, again, with the legislation initially  
17 that the number was worked on, and we actually provided to  
18 Staff last fall relative to how to take the legislative  
19 language and convert it to something that we thought was  
20 relatively user-friendly for ourselves, as well as for our  
21 customers. And, then, this latest step to kind of take  
22 these edits from Staff's iteration and kind of tweak them  
23 a little to clarify them, you know, National Grid is very  
24 comfortable with the way we drafted these, this document

1 at this point.

2 CHAIRMAN GETZ: All right. Thank you.  
3 Any other comments on the rules?

4 (No verbal response)

5 CHAIRMAN GETZ: Anything from Staff?

6 MS. AMIDON: No thank you.

7 CMSR. BELOW: Could I ask Ms. Hanscom,  
8 what's the size of the generator that you've just recently  
9 interconnected?

10 MS. HANSCOM: Pretty small, 62-kilowatt.  
11 So, we have a 22 and 40.

12 CMSR. BELOW: Okay. So, they fit into  
13 the small --

14 MS. HANSCOM: Small, yes.

15 CMSR. BELOW: -- customer-generator  
16 size?

17 MS. HANSCOM: Yes.

18 CMSR. BELOW: Okay.

19 MS. HANSCOM: Although, the City is also  
20 looking at some future -- some future methods, some future  
21 projects that will be generating even more energy under up  
22 separate projects, so it would put us into a "large  
23 generator" category. But, at this point, we're just  
24 small.

1 CMSR. BELOW: Okay. Thank you.

2 CHAIRMAN GETZ: Okay. Then, we will  
3 close this rulemaking hearing. Wait for the filing of  
4 written comments, and act as quickly as we can on  
5 finalizing the rules. Thank you, everyone.

6 (Whereupon the hearing ended at 2:56  
7 p.m.)

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