

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-004

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a EVERSOURCE ENERGY

Proposed Purchase of Receivables Program

Order Adopting Report and Recommendation of Hearing Examiner Sarah Fuller, Esq. and Approving Revisions to the “Electric Supplier Services Master Agreement” (ESSMA) and “Eversource’s “Tariff NHPUC No. 10 – Electricity” (Tariff).

ORDER NO. 28,112

March 11, 2025

In this order, the Commission adopts the report and recommendations contained in Hearing Examiner Fuller’s March 7, 2025 report and hereby APPROVES Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) proposed revisions to its “Electric Supplier Services Master Agreement” (ESSMA) and Eversource’s “Tariff NHPUC No. 10 – Electricity” (Tariff) and ORDERS Eversource to commence implementation as outlined in the Report.

I. BACKGROUND AND PROCEDURAL HISTORY

In 2021, HB 315 was enacted, which amended RSA chapter 53-E by, among other things, adding new section RSA 53-E:9, entitled “Billing Arrangements.” RSA 53-E:9 required each electric distribution utility to propose a Payment of Receivables (POR) program for Commission review and approval in which the utility would pay the amounts due from customers to “suppliers” for electricity supply and related services less a discount percentage rate (DPR). Puc 2205.16(e) of the Commission’s Chapter Puc 2200, “Municipal and County Aggregation Rules,” required utilities to file their proposed POR programs within 90 days of the rules’ October 12, 2022 effective date, or by January 10, 2023.

Eversource submitted its proposed POR program filing on January 10, 2023. The parties proposed Settlement Agreement on the POR program was approved by the Commission on August 22, 2024. *See* Order No. 27,049. Pursuant to Order No. 27,049, the proceeding was continued to a second phase to consider the Company's proposed revisions to its ESSMA and Tariff.

The Commission issued a supplemental order of notice on August 29, 2024, 2024 assigning a member of Commission staff, Sarah Fuller, Esq., as a hearing examiner pursuant to RSA 363:17. The hearing examiner was appointed to conduct the hearing, report the facts, and make recommendation to the Commission.

Eversource filed its proposed revisions to the ESSMA and Tariff on December 16, 2024 and indicated all parties agreed to the revisions. A hearing was held on January 29, 2025 presided over by Hearing Examiner Fuller. On March 7, 2025, the hearing examiner issued her report and recommendation (the Report), which recommends approval of the proposed revised ESSMA and Tariff.

Other than any information for which confidential treatment is requested of or granted by the Commission, all docket filings are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-004.html>.

II. DESCRIPTION OF THE PROPOSED ESSMA AND TARIFF AND IMPLEMENTATION

a. ESSMA

As discussed in Order No. 27,049, prior to implementation of the POR program, Eversource's ESSMA for competitive electric power suppliers (CEPS) and Community Power Aggregators (CPAs) acting as load-serving entities, needed to be revised. The revisions are necessary to incorporate POR as a condition of consolidated billing services. *See* September 23, 2024 Technical Statement at 1. Specifically, an entity seeking consolidated billing services must agree to sell Eversource its receivables at

the applicable Discount Percentage Rate (DPR). The Tariff must also be revised to reflect the DPR. The ESSMA is applicable to both CEPs and CPAs acting as load-serving entities in ISO New England. *See Id.* There are 24 unique suppliers providing energy service to Eversource customers. *See Hearing Transcript at 17.*

Updates to the ESSMA include:

- 1) Amending Section II to include new definitions related to the POR program and the required security interest.
- 2) Amending Section IV to include provisions which:
 - a. acknowledge different treatment of CPAs in appropriate circumstances, consistent with the Puc 2200 rules;
 - b. apply a creditworthiness requirement and obligation to provide credit support in certain cases; and
 - c. require suppliers with customer accounts served using consolidated billing to grant the Company a security interest.
- 3) Amending Section V to include representations and warranties of the supplier covering the Accounts Receivable and Collateral (as that term is defined in Section VI), including ownership and status of those assets.
- 4) Amending Section VI to require the supplier to provide the Company with a first priority perfected security interest in all Accounts Receivable purchased by the Company under the ESSMA and all unbilled Accounts Receivable to be purchased by the Company under the ESSMA (defined as the "Collateral"). And the supplier is authorized to place a security interest on the Accounts Receivable from the Company to the supplier associated with the Company's purchase of the supplier's Accounts Receivable.
- 5) Amend Section VII A-F to include specific provisions referencing the transition to the POR program, excepting CPAs from certain provisions that are not applicable under the Puc 2200 rules, and expressly referencing compliance obligations regarding protection and limited use of customer information under RSA 363:37-38.
- 6) Amend Section VII G to include new provisions specifically covering the POR program. Those provisions address the purchase and sale of existing and future Accounts Receivable, transfer of ownership, assignments of rights, security interest and collateral status, and collection and remittance of funds provisions. This subsection also covers the timing of payments made to suppliers for Accounts Receivable, and the means of payment to suppliers. Payments are subject to mutual netting provisions and supplier statements and reports will be provided through EDI transactions. And suppliers are required, upon the Company's request to provide documentation and information regarding any Accounts Receivable sold to

the Company to the extent necessary to verify billing information and/or collect from a customer any charges associated with that Account Receivable.

- 7) Various minor amendments and revisions related to POR program implementation, clarify the status of CPAs in certain circumstances, and clarify the language of specific contractual provisions.

See Technical Statement at 2.

Mr. O'Brien and Mr. Donyavi testified that prior to implementing the POR program, Eversource will request suppliers to return signed updated ESSMA agreements. See Id at 3. Eversource plans for a May 1, 2025 implementation as long as Eversource's system modifications necessary to implement the program have been completed, tested, and are fully operational. See Hearing Transcript at 14.

b. Tariff

Tariff updates include:

- 1) Section 1 contains references to the role of the New Hampshire Department of Energy ("NHDOE") in registering competitive electric power suppliers, and it clarifies that suppliers must be an ISO New England "Market Participant with an ISO-NE settlement account and take responsibility for all the ISO-NE load asset obligations, including but not limited to losses and uplift costs, associated with supplying energy and capacity to the Customer's delivery point."
- 2) Sections 1-8 contain provisions referencing the new POR program, the regulatory role of the NHDOE as well as the Commission, and the different treatment of CPAs under relevant sections of the Puc 2200 rules.
- 3) Section 9(a)-(c) contains the detailed provisions regarding implementation and administration of the POR program, including program eligibility, billing procedures and related EDI transaction procedures and information sharing, and the timing of payment by the Company to the supplier for Accounts Receivable.
- 4) Section 9(d) contains the detailed provisions for determination of the DPR on an initial and annually adjusted basis, and reflects the agreed-upon terms of the Settlement Agreement approved in Order No. 27,049.
- 5) Section 9(e) provides for the filing of supporting documentation by the Company in connection with the annual adjustment of the DPR and related aspects of the POR program, which will now be effective on August 1 of each

year rather than May 1, consistent with the Commission's directive in Order No. 27,049.

- 6) Section 9(f) addresses the initial implementation of the POR program, which will now be no sooner than May 1, 2025, subject to the condition that all Eversource system modifications necessary to implement the program have been completed, tested, and are fully operational. This subsection also provides for the Company's purchase of suppliers' existing Accounts Receivable within 30 days following the initial implementation date of the POR program. This subsection further references the first priority perfected security interest in the Accounts Receivable that the Company will purchase through the POR program, including any such Accounts Receivable that have not yet been billed, as well as the authorization of a participating supplier to place a security interest on the accounts receivable from the Company to such supplier associated with the Company's purchase of its Accounts Receivable.

See Hearing Exhibit 6 at 3-4, 14-22.

c. Proposed Implementation

The DPR is the sum of four percentage calculations, or components. Some of the discounted amounts are retained to recover implementation and ongoing administrative costs, which is reflected in the Administrative Cost Percentage (ACP) calculation. Other portions of the amounts retained reflect the fact that an Energy Service receivable is not worth its full face value, as Eversource will not recover the full amounts from customers on average (*i.e.*, uncollectible), which is reflected in the Uncollectible Percentage (UP) component of the DPR. As the DPR is the product of a fully-reconciling cost recovery mechanism, a portion of the discounted amount will also reflect a true-up of the costs and write offs resulting from POR with discounted amounts previously taken, which is reflected in the Past Period Reconciliation Percentage (PPRP). As a reconciling factor, the PPRP may increase or decrease the DPR. Lastly, the DPR considers the Company's cumulative revenue requirement calculation for the return of and return on incremental capital costs directly related to the development and implementation of changes to billing, information, and accounting systems required to implement the billing and payment procedures related

to the POR program into the Company's consolidated billing service, to be amortized and recovered through the annual DPR over a five-year period, which is reflected in the Amortized Incremental Capital Expense (AICE). Thus, the costs of the POR Program will be fully born by suppliers and will not impact customers remaining on Eversource's default supply service. Eversource proposes to calculate and file by late February or early March 2025 an initial DPR to be applied to receivables purchased when the POR program launches. *See* Hearing transcript at 14.

Mr. O'Brien outlined Eversource's initial proposal for implementation. Eversource expects to file its initial DPR calculation in late winter/early spring 2025 and would seek an order from the Commission approving the initial DPR rate 30-60 days later. *See* Hearing transcript at 14. Eversource was eyeing May 1st as the implementation date for the POR program.¹ The implementation timeline assumes that Supplier agreements have been signed and returned. Furthermore, even if Eversource does not have the returned, signed Supplier agreement, Mr. Donyavi confirmed that POR will be implemented uniformly for all Suppliers that have a complete load of customers. *See* Id.

Eversource noted that the calculation of the May 1, 2025 implementation date was contingent on the Company working through all the necessary system updates and items that require to implement the POR program in NH.

III. STANDARD OF REVIEW

The Commission is not bound by the recommendations of a hearing examiner appointed pursuant to RSA 363:17 in matters of fact or law. *N. New England Tel. Operations, LLC*, Order No. 25,538 at 5 (June 27, 2013). Although not submitted as a settlement agreement, the parties represented that the proposed amendments to the

¹ Eversource has requested that the revised Tariff and ESSMA be approved by 2/21/2025

ESSMA and Tariff were agreed upon. Accordingly, the Commission is reviewing this proposal as it would a Settlement Agreement pursuant to Puc 204.10(b). Specifically, even when all parties have agreed, the Commission must independently determine whether the result complies with applicable standards. *Abenaki Water Co., Inc.*, Order No. 26,549 at 9 (November 12, 2021). The Commission must decide whether the proposal is consistent with applicable law and is just and reasonable and serves the public interest. See N.H. Admin. R., Puc 204.10(b).

IV. COMMISSION ANALYSIS

RSA 53-E:9 requires utility POR programs to: (1) make timely payment of amounts due to Suppliers for electricity supply and related services less a DPR; (2) calculate the DPR to recover costs related to the POR program; and (3) periodically adjust the DPR, subject to the Commission's approval. Pursuant to RSA 53-E:9, I, Suppliers may include competitive electric power suppliers, such as CEPSs, if proposed by the utility and found by the Commission, after notice and hearing, to be for the public good.

After reviewing the Report, the Commission adopts the Hearing Examiner's recommendation to APPROVE the amendments to the ESSMA and Tariff. The second stage of this proceeding was necessary to provide details for the implementation of POR previously approved by the Commission in Order 27,049. The Commission finds that the parties' proposed revisions to the Tariff and ESSMA are based upon the record in this proceeding, that the proposed agreements and Tariff are the product of extensive and detailed negotiations involving all parties to this proceeding and address concerns offered by the parties represented to the Commission earlier on in this

proceeding.² The Commission appreciates that all parties worked together to present revisions that are easy to understand and implement. The revisions to the ESSMA and Tariff provide clarity to the Company's suppliers and customers on the implementation of the POR program including how and when the DPR will be calculated.

Based upon the foregoing, it is hereby

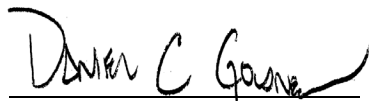
ORDERED, the Report is ADOPTED; and it is

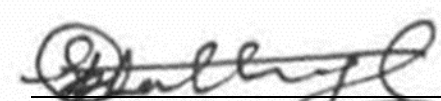
FURTHER ORDERED, that the revised ESSMA and Tariff³ are APPROVED; and it is

FURTHER ORDERED, that Eversource shall file with the Commission its initial DPR calculation by April 1, 2025; and it is

FURTHER ORDERED, that Eversource Energy shall confirm implementation of the POR program for May 1, 2025 or file an update with the Commission to reflect the plan for implementation by April 15, 2025.

By order of the Public Utilities Commission of New Hampshire this eleventh day of March, 2025.


Daniel C. Goldner
Chairman


Pradip K. Chattopadhyay
Commissioner


Mark W. Dell'Orfano
Commissioner

² Eversource's initial proposed revisions to the ESSMA and Tariff were filed on September 23, 2024. The DOE, CPCNH and NRG Retail Companies filed comments on the initial proposal. Subsequently, the parties worked together to revise the initial proposal. The assented to revised proposal was filed by Eversource on December 16, 2024.

³ The proposed Tariff revisions provided in the Company's December 16, 2024 filing include scrivener references to NEPOOL. The parties shall resubmit for final approval revised Tariff pages that reflect that all NEPOOL references have been omitted and replaced with references to ISO-NE. See Hearing Examiner Report at 8.

Service List - Docket Related

Docket#: 23-004

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