

COMMENTS ON DISTRIBUTION OF EXCESS RGGI ALLOWANCE FUNDS
SUBMITTED BY WOODSVILLE WATER & LIGHT DEPARTMENT
TO NEW HAMPSHIRE PUBLIC SERVICE COMMISSION (DE 14-048)

March 21, 2014

In February 2014, the State of New Hampshire Public Utilities Commission opened a proceeding, DE 14-048, concerning the Rebate of Excess Regional Greenhouse Gas Initiative (RGGI) Allowance Auction Proceeds to all Electric ratepayers.

From the Notice of Opportunity to Comment:

“In 2013, the New Hampshire Legislature enacted Chapter 269 (HB 306) amending RSA 125-0, the Regional Greenhouse Gas Initiative (RGGI) statute, effective January 1, 2014...The 2013 legislation amended the section of the law regarding rebates to customers. Effective January 1, 2014, all amounts in excess of one dollar "shall be rebated to all retail electric ratepayers in the state on a per-kilowatt-hour basis, in a timely manner to be determined by the commission." RSA 125-0:23, II. The words "all retail electric ratepayers" includes all of electric distribution utilities or municipal power utilities regardless of the source of their energy supply service.”

“RGGI auctions are conducted on a quarterly basis in March, June, September and December of each year. Based on this schedule the first RGGI auction implicated by the amendment to RSA 125-0:23, II will occur in March 2014. The Commission opened [the] docket to receive comment on the method and timing by which it should administer the rebate to retail electric customers. The issues implicated by the new statute are (1) the method by which the Commission should allocate the excess RGGI allowance among all electric providers in New Hampshire; (2) how frequently this allocation should be made; and (3) depending on the method of rebate what verification or proof is required to assure that electric distribution utilities, competitive energy suppliers and municipal utilities, as

applicable, are rebating the excess RGGI amounts to their ratepayers with any associated accrued interest; and (4) whether the Commission should require the rebate to ratepayers on an annual or more frequent basis.”

Woodsville Water & Light Department Comments

On behalf of the Woodsville Water & Light Department, a New Hampshire municipal electric utility, we are grateful to the New Hampshire PUC for allowing us the opportunity to provide the following comments with regard to the “issues implicated by the new statute.”

(1) The method by which the Commission should allocate the excess RGGI allowance among all electric providers in New Hampshire.

At a March 6, 2014 hearing at which public comments were taken in this proceeding, a number of commenters suggested that the “electric providers” which would receive the excess RGGI allowance funds be limited to regulated investor-owned and public utilities, including municipal utilities like Woodsville Water & Light Department (WWLD). WWLD agrees with that approach primarily because it ensures a direct refund pipeline to New Hampshire electricity ratepayers, and because of the transparency afforded by periodic reports to the Commission as discussed below.

In agreement with others at that hearing, WWLD suggests the allocation be made based on the previous calendar year, pro-rated retail electric energy sales for each utility.

(2) How frequently this allocation should be made.

Woodsville Water & Light Department suggests that if the funds are received in the quarter following the quarterly auctions, a distribution to ratepayers be made by the next quarter after receipt. If so, WWLD anticipates a credit would flow as a line item on ratepayers’ monthly bills, to be made no later than the end of the quarter following the quarter in which each distribution of the excess RGGI Allowance funds to WWLD is made. The credit would be calculated quarterly, based on a unit rate developed by dividing the funds received in the prior quarter by retail energy sales in that prior quarter,

with such unit rate applied to monthly retail energy consumption during the following quarter to establish the credit for each ratepayer.

If the allocation of RGGI Allowance Auction funds is made on a less frequent basis, for instance annually, the cycle described above would be extended equivalently.

(3) Depending on the method of rebate what verification or proof is required to assure that electric distribution utilities, competitive energy suppliers and municipal utilities, as applicable, are rebating the excess RGGI amounts to their ratepayers with any associated accrued interest.

Woodsville Water & Light Department has a limited accounting and customer service staff capability, commensurate with its small size. As a consequence, WWLD respectfully suggests the accounting associated with the distributions, and reports that must be filed to verify compliance with the rebates to ratepayers process, be required no more than once per calendar year, ideally no earlier than the end of the calendar year following the one in which the RGGI auction funds are received.

WWLD can provide a simple report to the NH PUC, accounting for: (a) the RGGI funds in the quarter they are received, (b) how they are booked and in which account, (c) identifying accrued interest and the interest rate pertaining to those funds if the funds are not credited in the quarter following receipt, and (d) the rebate mechanism and amount rebated to ratepayers in the reported calendar year.

(4) Whether the Commission should require the rebate to ratepayers on an annual or more frequent basis.

As previously noted, WWLD would prefer, due to its small size and limited accounting and customer service staff, to make the rebate process as simple as possible. A quarterly or annual rebate process would be the simplest to administer.

Respectfully yours,

Robert Fagnant
Superintendent, Woodsville Water & Light Department