

1 **STATE OF NEW HAMPSHIRE**
2 **PUBLIC UTILITIES COMMISSION**

3
4 **February 16, 2017 - 10:07 a.m.**
5 Concord, New Hampshire

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7 RE: **DE 16-873**
8 **LIBERTY UTILITIES (GRANITE STATE**
9 **ELECTRIC) CORP. d/b/a LIBERTY**
10 **UTILITIES: *Petition to Approve***
11 ***Tariff Change for Rate G-1 Customers***
12 ***Pursuant to Puc 903.02(p).***

13 **PRESENT:** Commissioner Robert R. Scott, Presiding
14 Chairman Martin P. Honigberg
15 Commissioner Kathryn M. Bailey

16 Sandy Deno, Clerk

17 **APPEARANCES:** **Reptg. Liberty Utilities (Granite**
18 **State Electric) Corp. d/b/a**
19 **Liberty Utilities:**
20 Michael J. Sheehan, Esq.

21 **Reptg. PUC Staff:**
22 David K. Wiesner, Esq.
23 Elizabeth Nixon, Electric Division

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

**CERTIFIED
ORIGINAL TRANSCRIPT**

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P R O C E E D I N G

CMSR. SCOTT: Good morning, everybody. Since the Chair has laryngitis, I'll be speaking. When he nudges me and kicks me, you'll know if I've misspoke.

So, good morning, everybody. We're here on Docket 16-873, for Liberty Utilities (Granite State Electric) Corporation, for a filing regarding a petition to approve tariff change for Rate G-1 customers pursuant to Puc Administrative Rule 903.02, Subsection (p).

With that, we'll take appearances.

MR. SHEEHAN: Good morning, Commissioners. Mike Sheehan, for Liberty Utilities (Granite State Electric).

MR. WIESNER: Good morning, Mr. Chairman, Mr. Acting Chairman, and Commissioner Bailey. I'm Dave Wiesner, representing Commission Staff. And with me today is Liz Nixon of the Electric Division, and we have some representatives of the Sustainable Energy Division in attendance as well.

CMSR. SCOTT: Excellent. And I see you have a panelist all set up. Can you help

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1 us on how you'd like to proceed today,
2 Mr. Wiesner?

3 MR. WIESNER: I believe that
4 Ms. Tebbetts is the only witness for the
5 Company, to describe the proposal that's being
6 made for the net metering tariff for G-1
7 customers. And I do have a few clarifying
8 questions for her, but we should be able to
9 wrap this up fairly quickly.

10 CMSR. SCOTT: Okay. And,
11 Mr. Sheehan, before we start, are there any
12 preliminaries we need to address?

13 MR. SHEEHAN: Yes. Just to mark an
14 exhibit. "Exhibit 1" we propose to be
15 Ms. Tebbetts' testimony, with the attached
16 tariff pages. And those are I think Pages 1
17 through 8.

18 CMSR. SCOTT: Okay.

19 (The document, as described, was
20 herewith marked as **Exhibit 1** for
21 identification.)

22 CMSR. SCOTT: And, if there's nothing
23 else, we'll swear in the witness.

24 (Whereupon **Heather M. Tebbetts**

[WITNESS: TEBBETTS]

1 was duly sworn by the Court
2 Reporter.)

3 **HEATHER M. TEBBETTS, SWORN**

4 **DIRECT EXAMINATION**

5 BY MR. SHEEHAN:

6 Q. Ms. Tebbetts, your name and your employer
7 please.

8 A. Yes. My name is Heather Tebbetts. I'm
9 employed by Liberty Utilities Service Company.

10 Q. And what are your job functions at Liberty?

11 A. I'm responsible for rate-related services for
12 Granite State Electric.

13 Q. And did you file testimony in this docket on or
14 about December 28, 2016?

15 A. Yes.

16 Q. And do you have that testimony in front of you?

17 A. Yes.

18 Q. And, if I were to ask you the same questions in
19 that written testimony today, would your
20 answers be the same as it is in the written
21 testimony?

22 A. Yes.

23 Q. And do you adopt your written testimony as your
24 testimony today?

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1 A. Yes.

2 Q. Just to tee this us, can you just give us a
3 one-paragraph explanation of what the Company
4 is requesting in this docket?

5 A. Yes. The Company is requesting that we
6 administer a on-peak/off-peak net metering
7 tariff to accommodate a customer's request to
8 install a 99.9 kW system, which puts them in as
9 a small customer-generator. But their rate
10 class with Granite State Electric is a Rate
11 G-1, which is a rate class that has a
12 distribution on-peak and off-peak rate.

13 Q. And, so, this proposal is to accommodate the
14 net metering with that variable rate?

15 A. Yes. That's correct.

16 MR. SHEEHAN: The witness is
17 available for cross-examination.

18 MR. WIESNER: Thank you. Good
19 morning, Ms. Tebbetts. I just have a few
20 clarifying questions for you about the
21 Company's filing and your testimony.

22 **CROSS-EXAMINATION**

23 BY MR. WIESNER:

24 Q. But, first, I just want to clarify that, other

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1 than the proposed billing methodology to net
2 on-peak versus on-peak and off-peak versus
3 off-peak hours for distribution charges, that
4 Rate G-1 customers would otherwise be net
5 metered consistently with the PUC rules and the
6 governing statute, is that correct?

7 A. Yes. That's correct. Most customers would be
8 putting in a large system. This customer is
9 right on the cusp of a small system, and their
10 load is on the cusp of Rate G-1 as well. And,
11 so, this request was necessary for this
12 specific customer.

13 Q. So, for example, Rate G-1 customers who are
14 small eligible customer-generators because they
15 have a system 100 kilowatts or less are
16 entitled to the full retail rate credit, is
17 that correct?

18 A. Yes.

19 Q. And that would include distribution charges,
20 which, in the case of Rate G-1 customers, are
21 time-differentiated on-peak and off-peak?

22 A. Yes.

23 Q. Okay. Thank you. If I can direct you to
24 Page 3 of your testimony, and this is Bates

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1 Page 005, Line 7. And this is where you state
2 that Rate G-1 customers "have interval
3 metering".

4 A. Yes.

5 Q. Are those --

6 A. I'm there.

7 Q. Okay. Thank you. Are those interval meters
8 capable of separately measuring the electricity
9 flow to and from the customer, which is to say
10 are they bidirectional meters, as well as
11 interval meters?

12 A. So, the standard interval meter is not a
13 bidirectional meter. This customer will have a
14 programmed bidirectional meter, and that will
15 also do interval metering. We'll have to
16 program the meter to do that.

17 Q. Does that require the installation of a new
18 meter or reprogramming of the existing that the
19 customer has?

20 A. The meters that we have -- the meters that we
21 have are not bidirectional meters. So, we
22 would have to install a bidirectional meter for
23 this customer to accommodate that, and program
24 it with interval metering. I'm not too much

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1 into the metering piece, but I understand we do
2 need to have a bidirectional meter for this
3 customer.

4 Q. And that bidirectional meter would be
5 programmed to collect interval data as well?

6 A. Yes.

7 Q. And is there an additional cost of that meter?
8 And, if so, who would bear that cost?

9 A. There is an additional cost for the meter.
10 And, as I understand, under the 900 rules, if a
11 small customer-generator requests a
12 bidirectional meter, they have to pay for it.

13 But, I believe in this case, because we
14 need to accommodate the customer considering
15 their rate class, I understand that we will
16 have to pay for it.

17 Q. Okay. Thank you. Also on Page 3, again, this
18 is Bates Page 005, Lines 14 to 18, this is
19 where you state that generation exports "will
20 be credited...on future bills". Will those
21 future bills that you referred to include the
22 bill issued for the billing cycle during which
23 the exported electricity was generated?

24 And what I'm getting at here is this.

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1 Will it include the first bill that is issued
2 after the month in which the excess generation
3 is produced by the customer?

4 A. So, the customer will be banking their
5 kilowatt-hours every single month, if there are
6 any to be banked. It's going to -- with this
7 customer, there is a chance that they could
8 produce power off-peak, and off-peak for us
9 could be weekends. And, so, if they do produce
10 power off-peak, then they would bank those
11 kilowatt-hours. So that, in future months, we
12 would apply those kilowatt-hours to their bill,
13 if they don't have any excess to apply to their
14 bill.

15 Q. Okay. And that excess is carried forward and
16 continues to be credited to future bills until
17 it's used?

18 A. Yes.

19 Q. And I believe you're aware that, on an annual
20 basis, if excess generation credits reach a
21 certain level, that customers have an option to
22 receive a cash payment or an economic credit
23 under the Puc 900 rules?

24 A. Yes. I believe it's 903.02(i), that's where

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1 the Commission calculates an avoided cost to be
2 paid out to customers who have a bank of over
3 600 kilowatt-hours for the preceding year.

4 Q. And, when the Company is going to calculate
5 that excess for these Rate G-1 customers, will
6 the differentiation between on-peak and
7 off-peak be applied or will the excess be
8 determined in the aggregate?

9 A. So, the excess will be determined in the
10 aggregate, because the rate at which the PUC
11 has calculated for us to pay the customers on
12 is one single rate and not time-differentiated.
13 So, whatever bank they have for on-peak and
14 off-peak hours, we would aggregate together and
15 pay them out a total for the 600 kilowatt-hours
16 greater than that.

17 Q. And that rate is effectively an avoided energy
18 cost rate?

19 A. Yes.

20 Q. Is that your understanding?

21 A. Yes.

22 Q. Okay. Thank you. So, therefore, distribution
23 charges would not be relevant to the
24 calculation of that avoided cost payment --

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1 A. That's correct.

2 Q. -- option? Sorry.

3 A. The avoided cost payment I believe includes
4 energy and capacity calculation, which would be
5 an energy charge, rather than for distribution.

6 Q. Thank you. And if there were further
7 subsequent changes in the rate design for Rate
8 G-1 customers, would those changes apply as
9 well to net metered Rate G-1 customers like the
10 one you've described?

11 So, for example, probably should let you
12 answer it, but, for example, if there were a
13 change in the on-peak and off-peak hours for
14 G-1 customers, would that also apply to the net
15 metered customer?

16 A. Yes, it would. Under the 900 rules, we're
17 required to bill customers on a rate they would
18 have otherwise been billed on without
19 generation. And, so, if there is a change to
20 the rate design, as in your example, with a
21 change to the hours applied to on-peak and
22 off-peak, we would apply that methodology to
23 all net metered customers taking service in
24 this manner.

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1 Q. Thank you. Has the Company determined whether
2 it will incur any additional administrative
3 costs in connection with this proposed change?

4 A. So, this customer will have to be manually
5 billed. Our billing system can't do this. We
6 don't need to hire additional staff. But it
7 will be an added manual billing process for one
8 of our billing analysts.

9 Q. And is that -- I understand that the current
10 customer for which you're doing this is a --
11 would be a small customer-generator under 100
12 kilowatts. But the tariff change would also
13 apply to those customers who have larger
14 systems, and are not small customer-generators,
15 is that correct?

16 A. It would only apply to customer-generators that
17 have installed small generator systems, because
18 over 100 kW would only get the Energy Service
19 rate, and that rate is not time-differentiated.

20 Q. So, there wouldn't need to be any crediting or
21 netting on the distribution charge for those
22 customers?

23 A. That's correct.

24 MR. WIESNER: Thank you. I think

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1 that's all I have. Thank you.

2 CMSR. SCOTT: Commissioner Bailey.

3 BY CMSR. BAILEY:

4 Q. I just want to make sure I understand this. I
5 think I do. But, when you credit back the over
6 600 kilowatt-hours, if they have banked that
7 many, can you tell me again about at what rate
8 they will be credited back?

9 A. Sure. So, the over 600 kilowatt-hour provision
10 in the 900 rules basically allows customers,
11 between the period of April 1 through
12 March 31st, to gather a bank of kilowatt-hours.
13 If they don't use those kilowatt-hours, and
14 they have over 600, then the PUC is required to
15 calculate an avoided cost rate, which was about
16 in the, I think, 3 cent range in 2015, to be
17 paid out in '16. So, we're waiting now for the
18 '16 number.

19 And, so, we would then send the customer a
20 letter saying "You've banked over 600
21 kilowatt-hours. You have the option to roll
22 over or get a cash payout." Some of our
23 customers choose to roll over their
24 kilowatt-hours, some of them choose to get the

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1 cash payout. In that case, we would empty
2 their bank, if they choose the cash payout, and
3 send them a check.

4 Q. So, the avoided cost rate is not
5 time-differentiated?

6 A. That is correct. And it's calculated by the
7 PUC, based on 903.02(i).

8 CMSR. BAILEY: Okay. All right.
9 Thank you. That's all I have.

10 CMSR. SCOTT: Mr. Chairman.

11 BY CHAIRMAN HONIGBERG:

12 Q. I understand that this is being done at this
13 time for one customer, is that correct.

14 A. Yes.

15 Q. Do you anticipate there being other customers
16 who will want to take advantage or be placed in
17 a situation where it would be appropriate for
18 this treatment?

19 A. I guess it's certainly possible. Considering
20 the fact that we have to manually bill it, I am
21 hoping not. But, certainly, it's very
22 possible, because these customers, they're on
23 the cusp of being a G-1, which is a
24 time-differentiated distribution rate, G-2 does

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1 not have that. So, these customers' monthly
2 load could actually go as low as 180 kW. Then,
3 you know, that's a pretty small customer to be
4 a time-of-use rate.

5 If they had the 99.9 kW installation, yes,
6 I could see other customers doing it. So, we
7 shall see if we have any more. But this is our
8 first request.

9 CHAIRMAN HONIGBERG: All right.

10 Thank you. That's all I had.

11 CMSR. SCOTT: Thank you.

12 BY CMSR. SCOTT:

13 Q. And I really had the same question, but are you
14 aware of any inquiries at this point from any
15 other customers?

16 A. We have not had any other inquiries. This is
17 the first one.

18 Q. Okay. Thank you. And, again, I'll ask you,
19 you can you look into your crystal ball.
20 Obviously, we have a -- there's an existing
21 larger net metering docket going on. Do you
22 have an expectation that that may impact this
23 tariff and require another change?

24 A. Well, I can tell you that, based on Liberty's

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1 proposal, we do not propose to change anything
2 with systems greater than 100 kW. And that our
3 proposal requested that customers with systems
4 under 100 -- 100 kW and under, so small
5 customer-generators, our proposal requested
6 that they get paid the Energy Service rate
7 only. So, if that request is granted under
8 this docket, then this will not be an issue,
9 because, again, the Energy Service rate is not
10 a time-differentiated rate.

11 Q. And you mentioned, which I think makes sense
12 for one customer, that this would be manually
13 billed and whatnot. Do you have an idea of
14 what kind of, you know, X number of hours over
15 a year type of thing?

16 A. From what I understand, it takes about -- the
17 meter will be read normally. But that, once we
18 get the data back, the billing analyst will
19 then have to put it in the system, and then
20 manually enter all the data. So, I think they
21 said about, per bill, an hour or two every
22 month. So, you know, six to twelve hours a
23 year.

24 CMSR. SCOTT: Okay. Thank you. So,

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1 I think that's all we have for the panel. I
2 think for efficiency, it sounds like closings
3 won't take very long. So, you probably just
4 want to stay there.

5 So, I think we're -- I'm sorry?

6 MR. SHEEHAN: I have no further
7 questions. Thank you.

8 CMSR. SCOTT: Oh, I'm sorry. Thank
9 you. Sorry about that. I assumed you didn't,
10 see?

11 Okay. So, barring any other
12 comments, are we ready for closings?

13 MR. SHEEHAN: Yes, sir.

14 CMSR. SCOTT: Okay. Then, we'll
15 proceed with closings.

16 MR. SHEEHAN: The written testimony
17 and the oral supplement today has explained the
18 reason for the change and what the change is.
19 And, I think, from the Commission's questions,
20 it seems like it's understood.

21 I did want to point out, and you made
22 a reference to the net metering docket, our
23 understanding is this case literally has
24 nothing to do with it now. This is a change

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1 that's independent of that.

2 And, as you suggest, if there is a
3 new net metering program that could affect
4 this, yes, we may have to come back and tweak
5 this. As Heather said, if our proposal is
6 adopted, there would not be a need to do so.
7 But we are one of many parties in that case, so
8 we'll see what comes out of that.

9 So, we ask that you approve the
10 requested change as a just and reasonable
11 modification to our tariff. Thank you.

12 MR. WIESNER: And I would agree with
13 Attorney Sheehan, that this is an entirely
14 separate matter from the Alternative Net
15 Metering docket, which is currently pending
16 here. This would be required even if there
17 were no such docket, even if we were just
18 operating under the statute and rules as they
19 currently exist. And I have no crystal ball
20 when it comes to that other docket.

21 Staff believes that this is a
22 reasonable means of accommodating the limited
23 time-differentiated distribution charge credits
24 that will be required for a small customer-

1 generator that happens to be a large electric
2 customer of the Company on Rate G-1. It's
3 basically a like-for-like crediting on-peak to
4 on-peak and off-peak to off-peak, and that
5 seems to be the most logical and simplist way
6 of permitting those customers to have the
7 benefits of net metering. And we support the
8 proposed amendment.

9 CMSR. SCOTT: Thank you. Also, I
10 assume there's no objection to striking the
11 identification?

12 MR. WIESNER: None.

13 CMSR. SCOTT: We'll do that.
14 Timeframe, is there a particular time
15 sensitivity where we need to get this out by?

16 *[Court reporter interruption.]*

17 MR. SHEEHAN: It's whispered that the
18 customer is coming on line in June.

19 *[Laughter.]*

20 MR. SHEEHAN: So, that's the extent
21 there's a deadline.

22 CMSR. SCOTT: Okay. Thank you.
23 Unless there's anything else, we'll take the
24 matter under advisement. And we will still get

1 the order out before June. Thank you.

2 MR. SHEEHAN: Thank you.

3 ***(Whereupon the hearing was***
4 ***adjourned at 10:26 a.m.)***

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