

## **Attachment 1 – Net Metering Cost Calculation**

Net metered customer-generators have a bi-directional meter where the export (“sales”) channel measures only the kilowatthours (“kWh”) from customer-owned generation that are greater than the customer’s on-site consumption and are delivered to the distribution system and the import (“purchases”) channel measures only the kWh the customer draws from the distribution system. The kWh produced by customer-owned generation that are not measured in the export (“sales”) channel represent kWh produced and consumed “behind the meter.”

Revenues are booked to the appropriate revenue account on the Company’s books based on the customer-generator’s metered kWh imports (“purchases”). The expenses based on compensation provided by the Company to customer-generators in accordance with the Company’s approved net metering tariff are booked to the 555000 account on the Company’s books based on the customer’s kWh exports (“sales”). Prior to February 2020, those expenses had been recovered through the Default Energy Service rate. For Group Host net metered customers, the payments or credits are also booked to the 555000 account and are included as net metering expense.

Lost base distribution revenue, which accounts for the purchases that the customer avoids by operating the generation facility, is not included in the net metering expense. The lost base distribution revenue attributable to net metered facilities is proposed to be recovered through the Regulatory Reconciliation Adjustment mechanism, per the Docket No. DE 19-057 Settlement Agreement.

Eversource has registered certain large net metered facilities as Settlement Only Generators (“SOGs”) with ISO New England Inc. (“ISO-NE”) and receives energy and forward capacity market revenues for those facilities through wholesale market settlements. Those revenues have historically been used as an offset for Independent Power Producer (“IPP”) costs through the Part 2 portion of the SCRC rate, which uses the 2015 Settlement Agreement allocation. Going forward, to the extent that wholesale market revenue is received attributable to registration of net metered facilities with ISO-NE as SOGs or attributable to net metered facilities through any other mechanisms or arrangements, such revenue will be used to offset the net metering and group host expense and will be recovered using an equal cents per kWh allocation through the SCRC.

An illustrative example of the SCRC rate filing for rates effective February 1, 2021 with the inclusion of the net metering and group host expense using an equal cents per kWh allocation is provided as Attachment 2. An illustrative typical customer bill impact for a residential customer is also included in Attachment 2.

Any use herein of the term “purchases,” “sales,” “costs,” or “expenses” represents a characterization of the specific accounting treatment described and is not intended to define or limit the interpretation of any relevant compensation, payments, credits, transactions, or other accounting treatment in any other context or for any other purpose.

(For illustrative purposes, will be finalized as part of Docket No. DE 20-095 filing)  
**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY**  
**FEBRUARY 1, 2021 NET METERING ADDER RATE SETTING**  
**FORECAST FOR THE PERIOD ENDED JANUARY 31, 2022**  
**(\$ in 000'S)**

Line	Description	Total Net Metering Cost	Source
1	Estimated Net Metering Cost (including Return)	\$ 8,228	Attachment 2, Page 2, Line 4 + Line 12
2	Estimated Under/(Over) Recovery at January 31, 2021	<u>8,697</u>	Attachment 2, Page 3, Line 3
3	Total Recoverable Net Metering Costs	\$ 16,925	(Line 1 + Line 2)
4	Forecast Retail MWH Sales February 2021 - January 2022	<u>7,699,179</u>	Attachment 2, Page 5, Line 7
5	Forecast Net Metering Adder Rate - cents/kWh	0.220	(Line 3 / Line 4) * 100

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**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY**  
**FEBRUARY 1, 2021 NET METERING ADDER RATE SETTING**  
**FORECAST FOR THE PERIOD ENDED JANUARY 31, 2022**  
 (\$ in 000'S)

Line	Description	Estimate January 2021	Estimate February 2021	Estimate March 2021	Estimate April 2021	Estimate May 2021	Estimate June 2021	Estimate July 2021	Estimate August 2021	Estimate September 2021	Estimate October 2021	Estimate November 2021	Estimate December 2021	Estimate January 2022	Twelve Months Ended 01/31/2022	Source
1	Net Metering Adder Revenues	\$ 1,358	\$ 1,425	\$ 1,280	\$ 1,299	\$ 1,407	\$ 1,612	\$ 1,575	\$ 1,330	\$ 1,314	\$ 1,313	\$ 1,483	\$ 1,544	\$ 16,938		
2	Net Metering Expense	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	9,800	Company Forecast
3	Net Metering Market Revenues	\$ 186	\$ 182	\$ 158	\$ 139	\$ 96	\$ 90	\$ 78	\$ 63	\$ 86	\$ 147	\$ 229	\$ 219	\$ 1,674	Company Forecast	
4	Total Net Metering Cost to be recovered	\$ 631	\$ 634	\$ 659	\$ 678	\$ 720	\$ 726	\$ 738	\$ 754	\$ 731	\$ 670	\$ 587	\$ 598	\$ 8,126	Line 2 - Line 3	
5	Monthly (Over)/Under Recovery	\$ (727)	\$ (790)	\$ (621)	\$ (621)	\$ (687)	\$ (885)	\$ (837)	\$ (576)	\$ (583)	\$ (643)	\$ (895)	\$ (946)		Line 4 - Line 1	
6	Beginning Monthly Balance	\$ 8,590	\$ 7,863	\$ 7,072	\$ 6,451	\$ 5,830	\$ 5,143	\$ 4,258	\$ 3,421	\$ 2,845	\$ 2,262	\$ 1,619	\$ 723		Previous month Line 7	
7	Ending Monthly Balance	\$ 8,590	\$ 7,863	\$ 7,072	\$ 6,451	\$ 5,830	\$ 5,143	\$ 4,258	\$ 3,421	\$ 2,845	\$ 2,262	\$ 1,619	\$ 723	\$ (223)	(223) Line 7 previous + Line 5 current	
8	Average Monthly Balance	\$ 8,226	\$ 7,468	\$ 6,762	\$ 6,141	\$ 5,487	\$ 4,701	\$ 3,840	\$ 3,133	\$ 2,553	\$ 1,940	\$ 1,171	\$ 250		(Line 6 + Line 7) / 2	
9	Accumulated Deferred Income Tax (ADIT)	\$ (2,228)	\$ (2,022)	\$ (1,831)	\$ (1,663)	\$ (1,486)	\$ (1,273)	\$ (1,040)	\$ (849)	\$ (692)	\$ (525)	\$ (317)	\$ (68)		-Line 8 x ADIT (27.083%)	
10	Average Monthly Balance Less ADIT	\$ 5,998	\$ 5,445	\$ 4,930	\$ 4,478	\$ 4,001	\$ 3,428	\$ 2,800	\$ 2,285	\$ 1,862	\$ 1,415	\$ 854	\$ 183		Line 8 + Line 9	
11	Carrying Charge (Prime Rate)	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	Prime Rate	
12	Monthly Carrying Charge	\$ 108	\$ 16	\$ 15	\$ 13	\$ 12	\$ 11	\$ 9	\$ 8	\$ 6	\$ 5	\$ 4	\$ 2	\$ 0	102 Line 10 x Line 11	
13	(Over)/Under Recovery plus Carrying Charge													\$ (121)	Line 5 + Line 12	

(For illustrative purposes, will be finalized as part of Docket No. DE 20-095 filing)  
**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY**  
**FEBRUARY 1, 2021 NET METERING ADDER RATE SETTING**  
**FORECAST FOR THE PERIOD ENDED JANUARY 31, 2021**  
**(\$ in 000'S)**

<b>Line</b>	<b>Description</b>	<b>Total Net Metering Cost</b>	<b>Source</b>
1	Estimated Net Metering Cost (including Return)	\$ 8,697	Attachment 2, Page 4, Line 13
2	Under/(Over) Recovery at January 31, 2020	-	Attachment 2, Page 4, Line 7
3	Total Recoverable Net Metering Costs	\$ 8,697	(Line 1 + Line 2)

(For illustrative purposes, will be finalized as part of Docket No. DE 20-095 filing)  
**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY**  
**FEBRUARY 1, 2021 NET METERING ADDER RATE SETTING**  
**FORECAST FOR THE PERIOD ENDED JANUARY 31, 2021**  
 (\$ in 000'S)

Line	Description	Actual January 2020	Actual February 2020	Actual March 2020	Actual April 2020	Actual May 2020	Actual June 2020	Actual July 2020	Actual August 2020	Actual September 2020	Estimate October 2020	Estimate November 2020	Estimate December 2020	Estimate January 2021	Twelve Months Ended 01/31/2021	Source
1	Net Metering Adder Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Net Metering Expense	\$ 777	\$ 833	\$ 1,199	\$ 927	\$ 789	\$ 716	\$ 684	\$ 608	\$ 817	\$ 817	\$ 817	\$ 817	\$ 817	9,800	Company Records
3	Net Metering Market Revenues	\$ 82	\$ 111	\$ 135	\$ 110	\$ 43	\$ 49	\$ 31	\$ 20	\$ 81	\$ 131	\$ 200	\$ 219	\$ 219	1,210	Company Records
4	Total Net Metering Cost to be recovered	\$ 695	\$ 722	\$ 1,063	\$ 817	\$ 747	\$ 667	\$ 653	\$ 588	\$ 736	\$ 686	\$ 617	\$ 598	\$ 598	8,590	Line 2 - Line 3
5	Monthly (Over)/Under Recovery	\$ -	\$ 695	\$ 722	\$ 1,063	\$ 817	\$ 747	\$ 667	\$ 653	\$ 588	\$ 736	\$ 686	\$ 617	\$ 598	8,590	Line 4 - Line 1
6	Beginning Monthly Balance	\$ -	\$ 695	\$ 1,416	\$ 2,480	\$ 3,297	\$ 4,044	\$ 4,711	\$ 5,364	\$ 5,952	\$ 6,689	\$ 7,375	\$ 7,991	\$ 7,991		Previous month Line 7
7	Ending Monthly Balance	\$ -	\$ 695	\$ 1,416	\$ 2,480	\$ 3,297	\$ 4,044	\$ 4,711	\$ 5,364	\$ 5,952	\$ 6,689	\$ 7,375	\$ 7,991	\$ 8,590		Line 7 previous + Line 5 current
8	Average Monthly Balance	\$ 347	\$ 1,056	\$ 1,948	\$ 2,888	\$ 3,670	\$ 4,377	\$ 5,038	\$ 5,658	\$ 6,320	\$ 7,032	\$ 7,683	\$ 8,290	\$ 8,290		(Line 6 + Line 7) / 2
9	Accumulated Deferred Income Tax (ADIT)	\$ (94)	\$ (286)	\$ (528)	\$ (782)	\$ (994)	\$ (1,186)	\$ (1,364)	\$ (1,532)	\$ (1,712)	\$ (1,904)	\$ (2,081)	\$ (2,245)	\$ (2,245)		-Line 8 x ADIT (27.083%)
10	Average Monthly Balance Less ADIT	\$ 253	\$ 770	\$ 1,421	\$ 2,106	\$ 2,676	\$ 3,192	\$ 3,673	\$ 4,126	\$ 4,609	\$ 5,127	\$ 5,602	\$ 6,045	\$ 6,045		Line 8 + Line 9
11	Carrying Charge (Prime Rate)	0.3958%	0.3150%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%		Prime Rate
12	Monthly Carrying Charge	\$ -	\$ 1	\$ 2	\$ 4	\$ 6	\$ 7	\$ 9	\$ 10	\$ 11	\$ 12	\$ 14	\$ 15	\$ 16	108	Line 10 x Line 11
13	(Over)/Under Recovery plus Carrying Charge														\$ 8,697	Line 5 + Line 12

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY**  
**ILLUSTRATIVE FEBRUARY 1, 2021 STRANDED COST RECOVERY RATE SETTING**  
**FORECAST FOR THE 12-MONTH PERIOD ENDED JANUARY 31, 2022**  
**(\$ in 000's)**

Line	Description	Allocation Per Docket No. DE 14-238					Source	
		Total Stranded Cost	Rate R @ 48.75% Stranded Cost	Rate G @ 25.00% Stranded Cost	Rate GV @ 20.00% Stranded Cost	Rate LG @ 5.75% Stranded Cost		Rate OL @ 0.50% Stranded Cost
1	Part 1 - Rate Reduction Bonds (February 2021 to January 2022)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	Estimated January 31, 2021 SCRC under/(over) Recovery	-	-	-	-	-	-	
4	Total SCRC Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 1 + Line 2 + Line 3
5	Total SCRC Revenues (February 2021 to January 2022)	\$ -	-	-	-	-	-	
6	Total SCRC under/(over) Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 4 - Line 5
7	Forecasted Retail MWh Sales (February 2021 to January 2022)	7,699,179	3,177,857	1,627,247	1,579,149	1,302,809	12,118	Company forecast
8	Current Average SCRC Rates approved in DE 20-095 - cents/kWh		0.498	0.407	0.334	0.091	0.470	DE 20-095, ELM-1, Page 1, Line 10
9	Current Ch. 340 Adder Rate approved in DE 20-095 - cents/kWh		0.607	0.607	0.607	0.607	0.607	DE 20-095, ELM-1, Page 1, Line 11
10	Current RGGI Adder Rate approved in DE 20-095 - cents/kWh		(0.130)	(0.130)	(0.130)	(0.130)	(0.130)	DE 20-095, ELM-1, Page 1
11	Proposed Net Metering Adder Rate - cents/kWh		0.220	0.220	0.220	0.220	0.220	DE 20-136, Attachment 2, Page 1
12	Proposed Average SCRC Rate Including Net Metering Adder Rate - cents/kWh		1.195	1.104	1.031	0.788	1.167	Line 14 + Line 15

**Comparison of Rates Effective August 1, 2020 and Proposed Rates including Net Metering Adder for Illustrative SCRC for Residential Service Rate R**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Effective Date	Charge	Distribution Charge	Transmission Charge	Stranded Cost Recovery Charge	System Benefits Charge	Electricity Consumption Tax	Energy Service Charge	Total Rate
August 1, 2020 (Current)	Customer charge (per month) Charge per kWh	\$ 13.81 \$ 0.04508	\$ 0.03011	\$ 0.00982	\$ 0.00743	\$ -	\$ 0.07068	\$ 13.81 <b>\$ 0.16312</b>
Illustrative SCRC (Proposed)	Customer charge (per month) Charge per kWh	\$ 13.81 \$ 0.04508	\$ 0.03011	<b>\$ 0.01202</b>	\$ 0.00743	\$ -	\$ 0.07068	\$ 13.81 <b>\$ 0.16532</b>

**Calculation of 550 kWh monthly bill, by rate component:**

	08/01/2020	Proposed	\$ Change	% Change in each Component	Change as a % of Total Bill
Distribution	\$ 38.60	\$ 38.60	\$ -	0.0%	0.0%
Transmission	16.56	16.56	-	0.0%	0.0%
Stranded Cost Recovery Charge	5.40	6.61	1.21	22.4%	1.2%
System Benefits Charge	4.09	4.09	-	0.0%	0.0%
Electricity Consumption Tax	-	-	-	0.0%	0.0%
Delivery Service	\$ 64.65	\$ 65.86	\$ 1.21	1.9%	1.2%
Energy Service	38.87	38.87	-	0.0%	0.0%
<b>Total</b>	<b>\$ 103.52</b>	<b>\$ 104.73</b>	<b>\$ 1.21</b>	<b>1.2%</b>	<b>1.2%</b>

**Calculation of 600 kWh monthly bill, by rate component:**

	08/01/2020	Proposed	\$ Change	% Change in each Component	Change as a % of Total Bill
Distribution	\$ 40.86	\$ 40.86	\$ -	0.0%	0.0%
Transmission	18.07	18.07	-	0.0%	0.0%
Stranded Cost Recovery Charge	5.89	7.21	1.32	22.4%	1.2%
System Benefits Charge	4.46	4.46	-	0.0%	0.0%
Electricity Consumption Tax	-	-	-	0.0%	0.0%
Delivery Service	\$ 69.28	\$ 70.60	\$ 1.32	1.9%	1.2%
Energy Service	42.41	42.41	-	0.0%	0.0%
<b>Total</b>	<b>\$ 111.69</b>	<b>\$ 113.01</b>	<b>\$ 1.32</b>	<b>1.2%</b>	<b>1.2%</b>

**Calculation of 650 kWh monthly bill, by rate component:**

	08/01/2020	Proposed	\$ Change	% Change in each Component	Change as a % of Total Bill
Distribution	\$ 43.11	\$ 43.11	\$ -	0.0%	0.0%
Transmission	19.57	19.57	-	0.0%	0.0%
Stranded Cost Recovery Charge	6.38	7.81	1.43	22.4%	1.2%
System Benefits Charge	4.83	4.83	-	0.0%	0.0%
Electricity Consumption Tax	-	-	-	0.0%	0.0%
Delivery Service	\$ 73.89	\$ 75.32	\$ 1.43	1.9%	1.2%
Energy Service	45.94	45.94	-	0.0%	0.0%
<b>Total</b>	<b>\$ 119.83</b>	<b>\$ 121.26</b>	<b>\$ 1.43</b>	<b>1.2%</b>	<b>1.2%</b>