

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Public Service Company of New Hampshire d/b/a Eversource Energy

Proposed Purchase of Receivables Program

Docket No DE 23-004

Technical Statement of Brendan J. O'Brien, Scott R. Anderson, and Daryush Donyavi

September 23, 2024

Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”) hereby submits this Technical Statement in compliance with the Commission’s Supplemental Order of Notice issued in this docket on August 29, 2024 (the “Supplemental OON”). In the Supplemental OON, the Commission directed Eversource to “file the proposed revisions to its Electric Supplier Services Master Agreement and Eversource’s Tariff NHPUC No. 10 - Electricity by September 23, 2024.”

This Technical Statement is submitted in order to describe at a high level the changes incorporated in the proposed revisions to the Company’s Electric Supplier Services Master Agreement (“ESSMA”) and Eversource’s Tariff NHPUC No. 10 – Electricity (“Tariff”). As contemplated by the Settlement Agreement approved by the Commission in Order No. 27,049 (August 22, 2024), the second phase of this proceeding will address the specific terms and conditions of the Company’s Tariff and ESSMA required to be amended in order to implement the purchase of receivables (“POR”) program, including how the Tariff and ESSMA apply to community power aggregations (“CPAs”).

The second phase also may consider whether or not the Company will utilize rules, processes, standards, and procedures of the Massachusetts Electronic Business Transactions (“EBT”) Working Group for the implementation of the POR program, unless and until directed otherwise by the Commission with respect to potential adoption and implementation of relevant Electronic Data Interchange (“EDI”) standards developed specifically for New Hampshire. That issue is addressed in Section 3 of this Technical Statement.

1. Revisions to Eversource ESSMA

The proposed revisions to the Company’s form of ESSMA are intended to provide for implementation of the POR program by all competitive electric power suppliers, including those serving CPAs, that use the Company’s consolidated billing services. The revised ESSMA cross-references the revised Tariff Terms and Conditions that address many of the key details of the POR program, including the initial calculation of and periodic adjustments to the applicable Discount Percentage Rate (“DPR”). The attached version of the proposed revised ESSMA is

substantially the same as that provided to the parties in discovery during the first phase of this proceeding in 2023.

In particular, the ESSMA revisions address the following key points:

- (a) Section II contains definitions, including a number of new definitions related to the POR program and the required security interest.
- (b) Section IV includes provisions which (i) acknowledge different treatment of CPAs in appropriate circumstances, consistent with the Puc 2200 rules; (ii) apply a creditworthiness requirement and obligation to provide credit support in certain cases; and (iii) require suppliers with customer accounts served using consolidated billing to granted to the Company a security interest.
- (c) Section V includes 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.
- (d) Section VI requires 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.
- (e) Section VII A-F 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.
- (f) Section VII G includes 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.
- (g) The remainder of the revisions to the ESSMA make conforming changes related to POR program implementation, clarify the status of CPAs in certain circumstances, and clarify the language of specific contractual provisions.

The Company notes here that it will be essential for all competitive electric power suppliers using consolidated billing service to have executed the final approved version of the revised ESSMA prior to the implementation of the POR program. Because all suppliers using consolidated billing will be enrolled in the POR program and paid for their existing accounts receivable in connection with the implementation of the program, all such suppliers must be placed in the POR program at the same time.

Otherwise, the Company would need to maintain two parallel systems for consolidated billing service: (1) one for suppliers on consolidated billing without executed ESSMAs and therefore not in the POR program; and (2) another for suppliers on consolidated billing with signed ESSMAs that are enrolled in the POR Program. The administrative burden and implementation costs associated with such a two-tiered approach are entirely unworkable.

2. Revisions to Tariff Terms and Conditions

The proposed revisions to the Company's Tariff Terms and Conditions are intended to provide for implementation of the POR program by all competitive electric power suppliers, including those serving CPAs, that use the Company's consolidated billing services. The attached version of the proposed revised Tariff Terms and Conditions is substantially the same as that provided to the parties in discovery during the first phase of this proceeding in 2023, except to the extent it incorporates changes to the DPR formula and related provisions specifically covered in the approved Settlement Agreement and changes necessary to the passage of time and the different annual DPR modification directed by the Commission in Order No. 27,049.

In particular, the Tariff Terms and Conditions revisions address the following key points:

- (a) 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."
- (b) 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.
- (c) 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.
- (d) 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.

- (e) 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.
- (f) 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.

3. Massachusetts EBT Working Group Standards Utilization for POR Program

By way of background on this point, on April 2, 1998, the New Hampshire EDI Working Group filed with the Commission a report recommending the adoption of business rules and related standard transactions and formats for the electronic transfer of customer information. In *New Hampshire Electric Cooperative Inc.*, DR 17 98-097, by Order No. 23,013 (September 8, 1998), the Commission approved the EDI Working Group's recommendations pending the outcome of a rulemaking to implement EDI standards. The rulemaking to implement the EDI standards has not occurred and the EDI Working Group had not convened for 25 years when the Settlement Agreement was filed with the Commission in this docket.

In the absence of approved EDI standards for New Hampshire, Eversource has followed the Massachusetts EBT standards maintained by the Massachusetts EBT working group. In order the expedite implementation of the POR program, the Settling Parties agreed that the Company would continue to utilize the rules, processes, standards, and procedures of the Massachusetts EBT Working Group unless and until the Company is directed by the Commission to adopt and implement EDI standards developed for New Hampshire. Eversource is aware that, in Docket No. DE 23-063, the Commission found that the EDI Working Group should be reconvened with a goal of determining whether the current EDI system is meeting the evolving electric system needs, and if not, what changes may be required, and at what cost. Eversource has been an active participant in the re-convened EDI Working Group in New Hampshire and will continue that active participation.

The Company's ESSMA does not expressly address this point, but merely references the "recommendations made by the Electronic Data Interchange Working Group report (referred to herein as the "EDI Standards"), made effective by NHPUC Order No. 22,919 and other applicable regulations of the NHPUC." If deemed advisable, the Company would consider adding more specific language referencing continued use of the rules, processes, standards, and

procedures of the Massachusetts EBT Working Group unless and until the Company is directed by the Commission to adopt and implement EDI standards developed for New Hampshire.

4. Conclusion

Eversource has provided this Technical Statement and supporting attachments as directed in the Supplemental OON in order to describe the ESSMA and Tariff revisions required in order to implement the Company's POR Program as provided for in the Settlement Agreement approved by the Commission in Order No. 27,049. The Company has also confirmed its intent to utilize the Massachusetts EBT Working Group processes, standards, and procedures in the implementation of the New Hampshire POR program, unless and until it is directed otherwise by the Commission with respect to potential adoption and implementation of relevant EDI standards developed specifically for New Hampshire.

Eversource believes the proposed changes to the ESSMA and Tariff Terms and Conditions intended to facilitate POR program implementation in New Hampshire are just and reasonable and entirely appropriate for that purpose. The Company urges the Commission to approve those changes through an expeditious process so that the POR program may be implemented without undue delay during the second quarter of 2025.