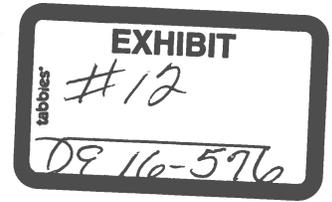


UNITIL ENERGY SYSTEMS, INC.



SUPPLEMENTAL DIRECT TESTIMONY OF

H. Edwin Overcast

New Hampshire Public Utilities Commission

Docket No. DE 16-576

1 **Q. Please state your name and business address.**

2 A. H. Edwin Overcast. My business address is P. O. Box 2946, McDonough, Georgia 30253.

3 **Q. Are you the same H. Edwin Overcast that filed direct testimony in this case?**

4 A. Yes.

5 **Q. What is the purpose of this supplemental direct testimony?**

6 A. Based on comments at the Technical Session on September 14, 2016, I am supplementing  
7 my direct testimony for three purposes as follows:

- 8 1. To introduce the actual tariff proposed consistent with Unitil Energy Systems,  
9 Inc.'s ("Unitil Energy" or "the Company") current rate case, NHPUC Docket 16-  
10 384;
- 11 2. To address group net metering; and
- 12 3. To provide default service for the monthly cash-out (not LMP) for excess solar  
13 deliveries in the near term and until the Company has the tools and capability to  
14 use the economically correct LMP as the basis for cashout.

15  
16 **Q. Please introduce the proposed tariff provisions related to Distributed Generation**  
17 **("DG").**

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19 A. The Company's proposed DG tariff, Schedule DDER, was originally filed in Docket No.  
20 DE 16-384. The Company is filing Schedule DDER in this docket as well, as part of  
21 this supplemental filing, attached as Schedule HEO Supplemental-1. As the Rate  
22 Schedule notes, Domestic Customers who install Distributed Energy Resources of more  
23 than 100 kW shall be considered General Service G2 Customers for billing purposes.  
24 Also enclosed with this testimony is Exhibit HEO-6 from Docket No. DE 16-384,  
25 attached as Schedule HEO Supplemental-2. This exhibit provides page 5 of 5 from the  
26 rate case filing that shows the proof of revenues for the proposed rate. This portion of my  
27 testimony is consistent with the testimony provided in the pending rate case. It represents  
28 movement toward cost based rates for all delivery service. Explanations of cost of service

1 and rate design are contained in my Direct Testimony in Docket No. DE 16-384. Table 1  
 2 below summarizes the charges and credits for new DG customers.

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 5

Table 1  
 New Customer DG Rate Summary

Monthly Distribution Charges	Amount
Customer Charge	\$15.00
Charge per kW of demand (15 minute interval)	\$5.32 per kW
Charge per kWh	\$0.00 per kWh
Adjustment Charges	
External Delivery Charge as provided in Schedule EDC	As filed from time to time
Stranded Cost Charge as provided in Schedule SCC	As filed from time to time
Storm Recovery Adjustment Factor as provided in Schedule SRAF	As filed from time to time
System Benefits Charge as provided in Schedule SBC	As filed from time to time
Default Service Charge as provided in Schedule DS	For customers taking default service as filed from time to time
Electricity Consumption Tax	As shown separately on Customer's bill
Net kWh Energy for Crediting Purposes	Default Service Charge

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 7  
 8

**Q. Please address Unitil Energy's proposal with respect to Group Net Metering.**

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- A. The current requirements for Group Net Metering include the following:
- 1) The customer must apply for and be approved by the PUC;
  - 2) The host customer and all group members must be served under default service;
  - 3) The host customer must certify to the Commission that the estimated annual onsite kWh consumption of the host and all group members is more than the projected annual output of the host's facility;
  - 4) Under the approved service, all net surplus kWh in future billing cycles is paid out at full retail kWh rates including NH electricity consumption tax and default service to the

1 host so long as the generation capacity is not more than 100kW. For facilities greater  
2 than 100 kW the credit is the default service rate only.

3 5) The utility is not involved with agreements between hosts and members.

4 6) At the end of the year, if the utility determines that the net surplus kWh generation  
5 output did exceed the usage of the host and members, the difference is billed back to the  
6 customer at the difference of the full retail rate less the PUC avoided cost rate. Thus, the  
7 total retail rates are credited only for the surplus amount that serves customers. The  
8 excess surplus kWh is simply priced at avoided cost.

9  
10 The Company and I do not support the current arrangement for group net metering solar  
11 for the same reasons that we have proposed changes to the rates for solar DG customers.  
12 All group members require the distribution system for delivery of their share and any  
13 supplemental or standby service of the facility, and therefore cannot avoid any delivery  
14 costs. In addition, the host customer, of necessity, increases delivery costs based on the  
15 requirement that that the output of the host's facility must be large enough to serve  
16 multiple other customers. Since this facility is designed to serve more than one customer,  
17 the demand for delivery significantly exceeds the load demand of the host customer. The  
18 size of this solar facility also experiences production higher than the installed capacity  
19 during the year when ambient temperatures are low and irradiance increases because of  
20 snow cover. The impact of this arrangement is likely to require increased delivery  
21 capacity in all of the interconnected facilities beginning with the service line and  
22 including facilities in FERC accounts 364-368.

23  
24 This discussion shows how the group net metering installation may have a significant  
25 impact on the delivery system that differs for the direction of flow. It also demonstrates  
26 that the group participants avoid no delivery costs and thus the only avoided cost  
27 payment would be the energy related avoided costs.  
28

1 Finally, there should be no distinction based on the size of the host generating facility.  
2 The excess energy for all group net metering solar regardless of size should receive only  
3 the default rate as payment for that energy.  
4

5 **Q. Please explain why the Company is modifying its payment for excess energy from**  
6 **the LMP to the default rate?**  
7

8 A. The Company recognizes that the LMP is the correct rate for avoided costs, and that  
9 eventually it will be in a position to administer and bill this option. That is not the case  
10 currently. Until such time as the Company has the systems, meter data collection and  
11 staff to administer the LMP, the superior available option is the default rate which will  
12 already be in the billing system and is fully transparent for solar DG customers. While  
13 the default rate may be higher or lower than avoided costs in a particular month, on  
14 average the default rate will be a reasonable approximation of the avoided costs.  
15

16 **Q. Does this conclude your Supplemental Direct testimony?**  
17

18 A. Yes.  
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