# STATE OF NEW HAMPSHIRE BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 22-077

### Joint Petition of New Hampshire Electric Cooperative, Inc. and Public Service Company of New Hampshire d/b/a Eversource Energy to Alter their Franchise Areas in Croydon and Sunapee, New Hampshire

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### Summary

The New Hampshire Department of Energy ("DOE") has reviewed the joint petition of the New Hampshire Electric Cooperative, Inc. ("NHEC") and Public Service Company of New Hampshire d/b/a Eversource Energy ("Eversource") filed on November 14, 2022 with the Public Utilities Commission ("Commission"). This joint petition requested the Commission to issue an order approving a change in the franchise areas served by the two utilities in the Towns of Croydon and Sunapee, New Hampshire, in order to allow NHEC to provide electric service to Tax Lots 18-673 and 18-674. In the area at issue, the current franchise boundary runs along the boundary between the two towns.

The DOE recommends that the Commission grant the joint petition of Eversource and NHEC to alter the franchise territory in Croydon and Sunapee to allow NHEC to provide service to these respective lots because it is in the public good. *See* RSA 374:26 (the Commission shall grant such permission to alter a franchise territory when it is in the public good to do so); RSA 374:22 (Eversource required to obtain the Commission's permission and approval to alter its franchise).<sup>1</sup> DOE further recommends that the Commission approve the joint petition through an order *nisi* to ensure that all interested parties receive notice and have another opportunity to comment or request a hearing before the order becomes effective. The DOE Regulatory Support Division also worked with the DOE Enforcement Division to create a detailed franchise map that accurately records the current boundary and proposed adjustment as shown in Attachment 1.

### Background

On November 14, 2022, Eversource and NHEC filed a joint petition with the Commission to alter their franchise areas in Croydon and Sunapee, New Hampshire to permit NHEC to

<sup>&</sup>lt;sup>1</sup> As the utilities noted in the joint petition, RSA 374:22 does not apply to NHEC pursuant to RSA 362:2.

provide service along Melody Lane to Lots 18-673 and 18-674, as shown in Attachment B of the petition. See Petition (November 14, 2022).

Lot 18-673 is owned by Keith Rodrigue and Aurora Merry, and a home is proposed to be built on this lot. The owners of Lot 18-673 have requested electric service, which triggered this petition.<sup>2</sup> The adjacent lot, Lot 18-674, is owned by Sugar River Holdings, LLC. The owner of Lot 18-674 has not requested service, and has not communicated a position on the petition. Currently, both lots are within Eversource's franchise.

The NHEC has an electric distribution line that runs along the Melody Lane right-of-way, and in front of Lot 18-673. The NHEC distribution line has a pole situated near the property line of Lot 18-673 and the adjacent Lot 18-674. By contrast, Eversource's nearest distribution pole is across the street and about 437 feet from the two properties, and a line extension would require installation of multiple poles and considerable tree cutting to accommodate the request for electric service. In the petition, both utilities agree that the "public interest would be best served by the amendment of their respective franchise areas in the towns of Croydon and Sunapee" to serve both lots 18-673 and 18-674, respectively.

## **DOE's Analysis**

The DOE has considered each lot individually, based upon the information provided in the petition and in response to two sets of data requests to the utilities. See Attachments 2 - 6. DOE staff also communicated directly with a representative of Sugar River Holdings, LLC. in early February.

### Lot 18-673 owned by Rodrigue and Merry

As discussed above, Keith Rodrigue and Aurora Merry, the owners of Lot 18-673, propose to build a home on the lot, and have requested electric service. From Eversource's closest distribution line to this lot, a line extension would be about 437 feet. Eversource did not provide an exact engineering cost estimate to perform a line extension to the property in question. However, Eversource's line extension tariff states that the estimated cost to extend an overhead, single-phase distribution facility is \$30.45 per foot. Based upon this average cost, the line extension to Lot 18-673 is estimated to be about \$13,307 of which the customer would be required to pay \$4,172.<sup>3</sup>

<sup>&</sup>lt;sup>2</sup> Note that the original petition is confusing in that it appears that the owners of both lots requested electric service. In response to data requests, the utilities indicated that the owner of Lot 18-674 has not requested electric service. See Attachments 2 and 3 Response to DOE 1-005. As required by the Commission, the owner of Lot 18-674 has been notified by affidavit of publication and by letter. See Attachment 4 and 5 Response to DOE 2-002; Attachment 6, Supplemental Affidavit of Publication by Eversource dated January 3, 2023. In addition, DOE staff communicated with a representative of Sugar River Holdings, LLC (David Bourque), who verified that he received such notification.

<sup>&</sup>lt;sup>3</sup> Eversource Energy Line Extension Policy is provided beginning on its Original Tariff Page 25. The explanation includes details on the "Calculation of Line Extension Construction Costs". In the current situation, the relevant cost details are provided in the subsection titled "Overhead Single Phase Facilities" which state that for projects

In contrast, NHEC estimates that the cost to extend service to Lot 18-673 per the owner's request would be \$8,428, which would include one midspan pole, a new meter, and 10 feet of underground service. The lot owners would not be charged anything. DOE has determined that both relevant cost comparisons – the company's installation costs and costs to the customer – lead to the conclusion that NHEC service is the least cost service for Lot 18-673. In addition, the proposed amendment is consistent with the lot owners' preferences. Accordingly, DOE concludes that NHEC is the preferred provider for Lot 18-673, and the franchise adjustment is in the public good.

### Lot 18-674 owned by Sugar River Holdings, LLC.

As discussed above, Sugar River Holdings, LLC owns Lot 18-674. At this time, the owner of this lot has not requested electric service; however, NHEC's distribution pole is between this lot and Lot 18-673. Given the proximity of the properties and the applicable distribution facilities, DOE applied similar basic cost comparison information presented above for Lot 18-673 to Lot 18-674. That is, using similar cost data as used for Lot 18-673, the cost for Eversource to provide service to Lot 18-674 would be greater than the cost for NHEC to provide service. Further, the costs that would be incurred by the customer for an NHEC line extension are significantly less than costs the Lot 18-674 customer would incur to obtain service from Eversource, based on current NHEC policy.

Assuming that this lot owner may request electric service in the future, altering the utility franchise boundary at this time provides for the most efficient and least cost process. Given the estimated cost comparison of each utility's installation cost and the cost to the customer and for administrative efficiency, in the opinion of DOE, NHEC service for Lot 18-674 is the least cost option. In addition, Eversource provided the required notice by publication, and sent the lot owner a letter and it is included as Attachment 4 response to DOE 2-2. Further, DOE Staff spoke with the lot owner's representative. Accordingly, the preferred outcome is for Lot 18-674 to be within NHEC's franchise territory.

#### **DOE's Recommendation**

DOE has reviewed the joint petition, engaged in discovery with both Eversource and NHEC, and has communicated with Sugar River Holdings, LLC's representative. The DOE Regulatory Support Division also worked with the DOE Enforcement Division to create an enhanced, more detailed franchise map that accurately records the current boundary and proposed adjustment. See Attachment 1.

performed in the April 1, 2022 – March 31, 2023 time period, the average cost per foot is \$30.45 "based on the length of single-phase primary and secondary line to be installed in excess of 300 feet, including the length of an Overhead Service Drop."

With regards to both Lot 18-673 and Lot 18-674, for the reasons stated above in the opinion of the DOE, NHEC is the preferred electric service provider for Lot 18-673 and Lot 18-764. DOE therefore concludes that the proposed franchise boundary adjustment is in the public good.

DOE recommends that the Commission approve the proposed franchise amendment to permit NHEC to provide electric service to Lots 18-673 and Lot 18-674 in the towns of Croydon and Sunapee along Melody Lane. DOE further recommends that approval be granted through an order *nisi*, which will ensure that all interested parties (including Sugar River Holdings, LLC) receive notice and have another opportunity to comment or request a hearing before the order becomes effective.