

STATE OF NEW HAMPSHIRE

Inter-Department Communication

NHPUC 23AUG'16PM4:17

DATE: August 23, 2016
AT (OFFICE): NHPUC

FROM: Tom Frantz, Director, Electric Division *TF*
Amanda O. Noonan, Director, Consumer Services & External Affairs *AO*

SUBJECT: DE 16-308 - Joint Petition of New Hampshire Electric Cooperative, Inc., and Eversource Energy to alter their franchise areas in Nottingham, New Hampshire

TO: Chairman Honigberg and Commissioners Scott and Bailey

CC: Debra A. Howland - Executive Director

On March 16, 2016, the New Hampshire Electric Cooperative, Inc. ("NHEC") and Eversource Energy ("Eversource") jointly requested the New Hampshire Public Utilities Commission ("Commission") issue an order approving a change in the franchise areas of the two utilities in the town of Nottingham. The filing was made to accommodate the request of Mr. Joseph Falzone of Harbor Street Limited Partnership to have NHEC provide electric service to all of the lots in Phase I of a new development being built by Harbor Street Limited Partnership, the Maple Ridge residential subdivision located between Friar Tuck Lane and Oak Ridge road in Nottingham.

The petition states that NHEC and Eversource jointly agreed that the public interest would best be served by the amendment of their respective franchise areas at this location of Nottingham so as to permit NHEC to serve all of the lots located within Phase I of the subdivision. Phase II and Phase III of the development are located within the Eversource franchise area. Eversource would provide electric service to homes built as part of Phase II and Phase III of the Maple Ridge residential subdivision.

Staff has reviewed the petition and attached maps. Staff also has toured Phase I of this proposed subdivision. Phase I is nearing completion with a paved road and cleared building lots. Underground conduit has been installed for utilities and base cement pads for electrical transformers have been installed. At the time of Staff's site visit, no utility work had been initiated. Portions of Phase II have only been cleared of trees. No activity has been initiated in the area of Phase III.

Staff understands that neighboring residential and commercial customers are currently served by two different electric utilities consistent with established franchise lines and as a result of unplanned real estate growth. The Maple Ridge residential subdivision is planned growth, however, and presents a unique opportunity for better planning of utility franchise areas to avoid confusion among customers. Allowing a new subdivision to be served by two different electric utilities creates a situation where the neighboring homes in Phases II and III of the subdivision would experience different billing, rates, customer service experience and service restoration following power outages than those in Phase I. While similar situations have evolved naturally, Staff is not aware of any that have resulted from planned growth. Staff also is not aware of a case where New Hampshire utilities have petitioned for the approval of the Commission to create this type of situation within a subdivision.

Staff agrees with NHEC and Eversource that, given the location and configuration of Phase I of this subdivision, it is more efficient and cost-effective for NHEC to serve the entirety of Phase I since this geographical area already has electrical distribution available from NHEC. Staff also believes that customers (new home owners) are best served by having this subdivision served by one electric utility, not two. It is important to note that the build-off point for Eversource's electrical distribution is at the opposite end of the phase III area.

Staff recommends that the Commission grant approval to NHEC's and Eversource's petition only for Phase I of this subdivision. Staff further recommends that the Commission require NHEC and/or Eversource to seek Commission approval at such time as development work begins for Phase II and/or Phase III of this subdivision, and prior to the installation of any utility facilities, so that the Commission may consider any further changes to franchise boundaries.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**