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June 3, 2022

Daniel C. Goldner, Chairman New Hampshire Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301-2429

RE: DE 22-009 Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty and Woodsville Water and Light Department, Joint Petition to Alter Franchise Areas in the Town of Bath. Department of Energy (DOE) Report and Recommendation.

Dear Chairman Goldner:

The Department of Energy (DOE) has reviewed the *Joint Petition to Alter Franchise Areas in the Town of Bath* filed by Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty ("Liberty") and Woodsville Water and Light Department ("Woodsville" or "Municipality"). The Petition asks the New Hampshire Public Utilities Commission (Commission) to issue an order approving a change in the franchise areas served by Liberty and Woodsville (hereinafter jointly "the Entities") to accommodate a request to have Liberty provide electric service to a customer on Monroe Road in Bath.

For the reasons that follow, and based upon information provided by the Entities, it is the recommendation of the DOE that the Commission approve the petition in order to allow Liberty to provide service to the location. DOE also recommends that the PUC grant such approval without hearing, as all parties are in agreement with the relief requested. *See* RSA 374:26; Petition para. 13. Finally, DOE also recommends that the Commission approve the Joint Petition on a *nisi* basis to ensure that all interested parties receive notice and have the opportunity to comment or request a hearing before the order becomes effective.

Background

On February 28, 2022, Liberty and Woodsville filed their *Joint Petition to Alter Franchise Areas in the Town of* Bath (*Joint Petition*) to accommodate a request for Liberty to provide electric service at 781 Monroe Road in Bath ("the Property"). Monroe Road in Bath is also known as "NH Route 135."

The Property itself is roughly bisected by the current franchise boundary. Neither the utility nor the municipality have electric service that extends to, or passes by, the Property. As reported by the Entities, Woodsville's closest customer is located at 763 Monroe Road, approximately a quarter of

a mile south of 781 Monroe Road, and Liberty provides end-of-line electric service approximately a quarter of a mile to the north of the Property, at the juncture of Haney's Way and Monroe Road.

In November 2021, the property owner of 781 Monroe Road contacted Woodsville to inquire about the possibility of Woodsville extending service beyond its current end-of-line. Woodsville evaluated the existing situation and the details involved in a service extension. Ultimately, Woodsville found the prospect of expanding electric service northward "difficult for all" and "uncertain." *See* Liberty's Responses to Commission Record Requests (Liberty RRR) at Bates 015. At the December 21, 2021 combined annual board meeting of both the Woodsville Water and Light Department Commission and the Woodsville Fire District Commission, the Commissioners voted not to extend service to the Property (781 Monroe Road). <u>Id</u>. at 017. Subsequently, on January 18, 2022, the same Woodsville Commissioners voted to participate in the *Joint Petition* developed by Liberty which would alter the franchise boundary so that the Property would be entirely within Liberty's franchise territory. <u>Id</u>. at 019.

On April 28, 2022, the Commission issued a *Commencement of Adjudicative Proceeding and Notice of Prehearing Conference*, (hereinafter "*Notice*") scheduling a prehearing conference for June 23, 2022, at 1:30 p.m. In the same notice, the Commission directed Liberty to "file documents in support of its representation that it will assume responsibility for extending electric service to the Property on or before May 24, 2022, including details of the proposed service extension required and financial details supporting the extension...." Notice at 4. Liberty filed the requested information on May 24, 2022. (Referenced hereinafter as Liberty RRR). With the exception of information about the authority to set poles, provided below, the information Liberty filed with the Commission is a duplicate of Liberty's and Woodsville's responses to DOE data requests.

DOE's Analysis

Based upon the information provided by the Entities in the *Joint Petition* and Liberty's RRR, DOE has determined that Liberty's costs to extend service to the Property, including engineering, construction, tree trimming and traffic control, will be approximately \$91.5 thousand dollars. Liberty RRR at 001-006. Of this, consistent with Liberty's tariff, the Property owners will be charged approximately \$32.7 thousand dollars. The customer will receive a "credit" of 300 feet and be responsible for a payment of (1,250 – 300) x \$34.47/foot = \$32,747. *See* Liberty Original Page 57 Tariff (Line Extension – Policy 1: Individual Residential Customers). DOE assumes this includes Liberty's planned pole replacement, described below. *See id.*

Based upon the information provided by the Entities in the *Joint Petition* and in Liberty's RRR, DOE understands that there are currently some utility poles along Monroe Road that only carry communication lines. Liberty stated that Spectrum owns the existing poles, and lines, and that Liberty will need to install six new poles to provide services because--according to Liberty-- the existing poles do not meet industry standards for primary construction, and existing communication lines were built too high to meet National Electric Safety Code (NESC) clearance from the neutral/secondary space. Liberty states that Spectrum concluded Spectrum does not have the resources to be a pole maintainer and would prefer attaching to poles owned by Liberty. *See* Liberty RRR at 005, 011-13.

DOE understands Liberty proposes to own the new poles. Liberty states it has confirmed that the area in question is a Consolidated pole set area, that in this location Consolidated's facilities are underground, and that Consolidated has no interest or need to attach to any poles Liberty might install. Liberty further explained that Consolidated is not obligated to set poles that Consolidated will not attach to, and that rules that govern a Liberty/Consolidated relationship "only apply to 'jointly owned' poles." (Liberty concluded that the new poles to be set by Liberty would not be "jointly owned' poles as Consolidated will not make use of the poles for its facilities.) Liberty also shared that Consolidated confirmed to the Liberty engineer working on providing service to the Property, that Liberty is "good to move forward in setting and owning the poles in question." (Internal quotations omitted).

Specifically, in order to provide electric service to the Property, and following Liberty's review of the site and local existing conditions, Liberty states that it will extend its electric distribution lines by 1,250 feet from the current end-of-line to the prospective customer's property. Liberty states that this will include installation of 6 new poles along Monroe Road (three replacements of existing under-sized poles and three new installs) as well as removal of three existing under-sized poles. The existing Spectrum communications lines will be relocated to the new Liberty-owned poles. As stated above, vegetation management work will also be performed to facilitate pole installations and line extension.

DOE's Enforcement Division, which maintains GIS information about utility franchises and facilities, prepared a more detailed map than the one included with the joint petition. *Compare Joint Petition*, Exhibits A and B *with* DOE Attachment 1. The DOE map shows the current franchise boundary and the adjustment proposed and described by Liberty and Woodsville to facilitate Liberty's provision of service at the Property. Liberty states that the DOE map is accurate and acceptable to Liberty. *See* Liberty RRR at Bates 014. The DOE map is included as an attachment to DOE's Report and Recommendation. *See* DOE Attachment 1.

DOE'S Recommendation

DOE's Regulatory Support Division has reviewed the joint petition, engaged in formal and informal discovery with both Liberty and Woodsville, and reviewed Liberty's calculation of the prospective customer's payment consistent with Liberty's tariff. DOE's Regulatory Division also worked with DOE's Enforcement Division to create a proposed franchise map that accurately records the current boundary and the proposed adjustment. *See* DOE Attachment 1.

Woodsville has decided not to extend service to the Property. Give the specific physical location of the Property, only Liberty is (now) able to provide service to the Property. Based on the joint petition, and the Entities data responses, DOE has concluded that the requested adjustment to the franchise boundary between Liberty and Woodsville is necessary for Liberty to provide electric service to the Property.

In the opinion of the DOE, providing service to the Property is reasonable and appropriate, and Liberty's estimated cost to the Property owners is consistent with its tariff. The extension of service may also make it possible to provide service to neighboring properties. Accordingly, adjusting the franchise boundary is for the public good and in the public interest, and DOE recommends that the Commission approve the *Joint Petition*, based upon information provided by the Entities. *See* RSA

374:26 (Commission shall grant a franchise when it finds that such action would be in the public good); RSA 374-F:3 V (a) ("electric service is essential and should be available to all customers"); *Public Serv. Co. of N.H.*, Order No. 24,525 (Sept. 30, 2005) (Commission approved a franchise boundary adjustment where the customer would otherwise be without electric service due to inability to obtain an easement). The DOE also recommends that the Commission adopt the proposed new boundary as shown on DOE Attachment 1, as the official map of the Entities' new franchise boundary.

If the *Joint Petition* is approved, in the opinion of the DOE no further process is necessary; the prehearing conference and technical session may be canceled, and the docket may be closed. DOE also recommends that the Commission grant such approval without hearing, as all parties are in agreement with the relief requested. *See* RSA 374:26 ("...[P]ermission [to alter franchise, *inter alia*] may be granted without hearing when all interested parties are in agreement"). Finally, DOE also recommends that the Commission approve the *Joint Petition* on a *nisi* basis to ensure that all interested parties receive notice and have the opportunity to comment or request a hearing before the order becomes effective.

Respectfully Submitted,

/s/ Mary E. Schwarzer

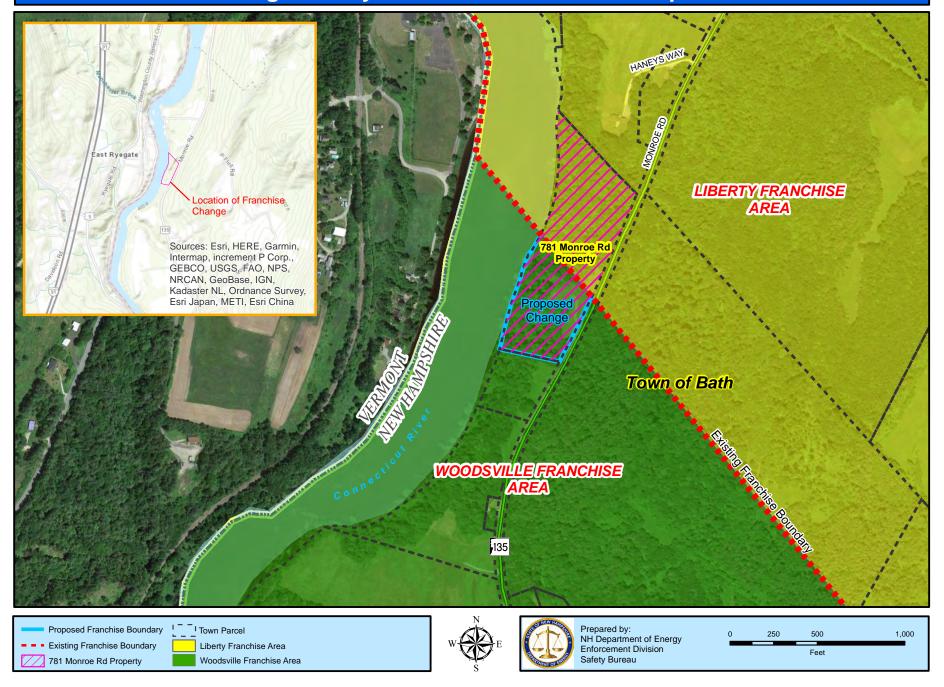
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Franchise Area Change Liberty Utilities/Woodsville Municipal - DE 22-009 - Bath



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