

STATE OF NEW HAMPSHIRE

COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher J. Ellms, Jr.



DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-3670

FAX No. 271-1526

Website:
www.energy.nh.gov

March 30, 2022

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

RE: DE 22-011 Public Service Company of New Hampshire d/b/a Eversource Energy
Line Extension Rate Filing

Dear Chair Goldner:

On March 15, 2022, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed updates to its line extension policy and tariff pages to become effective on April 1, 2022, absent an order, pursuant to Puc 1603.07. Eversource filed a revision dated March 28, 2022 to its line extension policy update. The New Hampshire Department of Energy (DOE) has reviewed Eversource's methodology and revised calculations dated March 28, 2022 for the resulting costs per foot for overhead and underground single-phase facilities to be charged to customers during the period April 1, 2022 through March 31, 2023. The DOE has determined that the methodology and calculations are consistent with the settlement approved in Docket No. DE 08-135 and that the resulting charge adjustments are just and reasonable.

Accordingly, the DOE recommends approval of Eversource's proposed revisions to Page 26 of its tariff for an effective date of April 1, 2022.

In the Settlement Agreement approved by the Commission in Order No. 25,046 (November 20, 2009) in Docket No. DE 08-135, the parties agreed to a line extension policy that would better align costs and revenues related to the provision of service to new customer locations. The settling parties agreed to update the methodology to calculate the average cost per foot charges by construction type after the original three-year phase-in of updated costs was complete. Per Order No. 25,926 in IR 14-190, Eversource included additional methodology updates in its calculation last year for the rates effective April 1, 2021 following its distribution rate case in Docket No. 19-057. In Eversource's technical statement, it further noted that "[t]hese changes included increasing the allowance of free footage from 175 feet to 300 feet," which was incorrect as the change was actually from 125 feet and not 175 feet. Eversource is required to update the average cost per foot figures annually based on single-phase line extensions completed during the previous three calendar years. Updated cost per-foot amounts are then to become effective on April 1 of each year.

On March 15, 2022, Eversource filed updates to its line extension policy and the applicable tariff page, to become effective on April 1, 2022; in its filing dated March 28, 2022, Eversource submitted further revisions to those updates. Following the

methodology described in the approved settlement, Eversource recorded the actual cost of each single-phase line extension that had been initiated and completed during the period from January 1, 2019 through December 31, 2021.

In determining the average cost per foot figures annually, Eversource included all actual costs associated with single-phase line extension construction, except for the cost of transformers. From this total population of line extensions, the following types of line extensions were eliminated from the database: (1) temporary services; (2) distributed generation services; (3) services not associated with new construction (upgrades); (4) customer built line extensions; (5) three-phase construction; (6) combination of overhead and underground construction; (7) more than one service on the project; (8) footage greater than one mile; (9) non-standard billing codes; (10) private work; and (11) any line extensions where the actual charges were greater than three times the estimate.

Finally, Eversource adjusted average cost per foot figures for 2019 and 2020 to the 2021 level, based on the annual average Consumer Price Index for all urban customers, northeast region, and all items, not seasonally adjusted, as published by the Bureau of Labor Statistics of the U.S. Department of Labor.

As a result of the updated calculations, on April 1, 2022, the cost per foot for overhead line single-phase extensions will increase by \$0.76, from \$29.69 to \$30.45. The cost per foot for single-phase underground line extensions will increase by \$1.46, from \$16.64 to \$18.10. Charges for three-phase overhead and underground line extensions will continue to be based on customer-specific job requirements.

Analysis and Recommendation

The DOE has reviewed Eversource's methodology and revised calculations for the resulting costs per foot for single-phase overhead and underground facilities to be charged to customers during the period from April 1, 2022 through March 31, 2023. The DOE confirms that the methodology and calculations are consistent with the settlement agreement approved in Docket No. DE 08-135 and that the resulting charge adjustments are just and reasonable.

The DOE therefore recommends approval of Eversource's proposed revisions to Page 26 of its tariff for an effective date of April 1, 2022.

Service List Additions

Please add to the service list for this docket the following email addresses:

David.K.Wiesner@energy.nh.gov, Scott.T.Balise@energy.nh.gov, and
Elizabeth.R.Nixon@energy.nh.gov.

Sincerely,

/s/ David K. Wiesner

David K. Wiesner
Legal Director/Sr. Hearings Examiner

cc: Docket Service List

ClerksOffice@puc.nh.gov

Energy-Litigation@energy.nh.gov

george.knowles@eversource.com

jessica.chiavara@eversource.com

nhregulatory@eversource.com

ocalitigation@oca.nh.gov