

STATE OF VERMONT PUBLIC
UTILITY COMMISSION

Case No. 22-3900-PET

Petition of Public Service Company of New Hampshire, pursuant to 30 V.S.A. § 108, for authority to issue up to \$600 million aggregate principal amount of long-term debt securities through December 31, 2023	
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Order entered: 11/09/2022

ORDER CONSENTING TO DEBT ISSUANCE AND PROPERTY MORTGAGE

In this Order, the Vermont Public Utility Commission adopts the following proposal for decision and consents to the proposed issuance of secured long-term debt pursuant to 30 V.S.A. § 108.

PROPOSAL FOR DECISION

I. INTRODUCTION

On August 31, 2022, the Public Service Company of New Hampshire (“PSNH”), doing business as Eversource Energy, filed with the Vermont Public Utility Commission (“Commission”) a petition, pursuant to 30 V.S.A. § 108, seeking the consent of the Commission to issue up to \$600 million in long-term debt and to mortgage its property as security for the debt. The petition is supported by the prefiled testimony and exhibits of Emilie G. O’Neill and Michael J. Dzialo.

On September 29, 2022, the Vermont Department of Public Service (“Department”) filed (1) comments recommending approval of the financing request without a hearing or investigation pursuant to 30 V.S.A. § 108(a), and (2) a determination pursuant to 30 V.S.A. § 202(f) that the petition is consistent with the Vermont Electric Plan.

In this proposal for decision, I recommend that the Commission find the proposed debt issuance will be consistent with the general good of the State and that the Commission consent to the issuance and mortgage. No party requests a hearing or objects to PSNH’s prefiled testimony and exhibits. Accordingly, the Petition, the joint prefiled testimony of Ms. O’Neill and Mr.

Dzialo (“O’Neill & Dzialo pf.”) and exhibits PSNH-1 through PSNH-9 are admitted into evidence as if presented at a hearing.¹

II. FINDINGS

Pursuant to 30 V.S.A. § 8(c), and based on the record and evidence before me, I present the following proposed findings of fact to the Commission.

1. PSNH is a public utility corporation duly organized and existing under the laws of the State of New Hampshire, and is engaged in the generation, transmission, and sale of electric energy within New Hampshire. PSNH is registered to do business in Vermont. Petition at 1.

2. PSNH owns and operates a 115 kV transmission line that runs from Littleton to Whitefield, New Hampshire, that includes a nine-mile portion traversing the towns of Waterford and Concord, Vermont. This line has no interconnection point within Vermont. Petition at 1.

3. PSNH does not provide retail electric service to any customers in Vermont. Petition at 1.

4. PSNH proposes to issue up to \$600 million of long-term debt through December 31, 2023. Petition at 2.

5. PSNH proposes to issue and sell up to \$600 million in aggregate principal amount of long-term debt in the form of first mortgage bonds, in one or more series, with a maturity date ranging from one to 30 years. The exact amount, maturity, terms and conditions, redemption provisions, and coupon rate will be determined at the time of pricing depending on prevailing market conditions. O’Neill & Dzialo pf. at 5.

6. Based on indicative pricing for the issuance of secured long-term debt as of August 1, 2022, the estimated rate for the proposed mortgage bonds would be 3.08% for a 10-year term and 4.37% for a 30-year term. O’Neill & Dzialo pf. at 7.

7. The amount of debt issued will depend upon capital expenditures, cash generation, and short-term debt levels at the time of the request. PSNH will use the proceeds from the issuance of long-term debt to: (1) refinance its short-term debt; (2) finance capital expenditures for the distribution and transmission businesses; and (3) fund working capital needs. Petition at 2.

¹ If any party has an objection to any of these documents being entered into evidence, the party shall submit its objection within 14 days of the date this Order is entered.

8. PSNH's senior secured debt is currently rated "A+" by S&P Global Ratings, "A1" by Moody's Investors Service, and "A+" by Fitch Ratings. O'Neill & Dzialo pf. at 10.

9. PSNH's regulatory five-quarter average equity ratio, as of June 30, 2022, was approximately 56%. PSNH expects to maintain a similar regulatory equity ratio during 2023. O'Neill & Dzialo pf. at 10.

III. DISCUSSION AND CONCLUSION

PSNH requests the consent of the Commission to issue before the end of 2023 up to \$600 million of long-term debt in the form of first mortgage bonds. PSNH conducts its retail electric utility operations in New Hampshire and does not provide retail electric service to any customers in Vermont. However, a nine-mile portion of one of PSNH's transmission lines traverses Vermont. In its petition, PSNH states that certain aspects of the proposed financing activities require the Company to obtain approval from the Commission. PSNH has requested and obtained the Commission's consent to previous debt issuances.

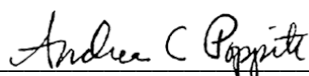
Because PSNH conducts its retail electric utility operations in New Hampshire, the New Hampshire Public Utility Commission ("NHPUC") has the principal responsibility for the regulation of PSNH's operations. PSNH has requested NHPUC's approval for the proposed debt issuance.²

The Department recommends that the Commission approve the petition without a hearing or further investigation. The Department has also determined that the petition is consistent with the Vermont Electric Plan.

Consistent with the Department's recommendation, I recommend that the Commission conclude that the proposed financing transaction is consistent with the general good of Vermont, that no hearing or further investigation is needed, and that the Commission grant its consent pursuant to 30 V.S.A. § 108(a).

² Petition at 4. PSNH has filed its petition with the NHPUC. See NHPUC Docket No. DE 22-049, available at <http://www.puc.nh.gov/Regulatory/Docketbk/2022/22-049.html>.

This Proposal for Decision has not been circulated to the parties pursuant to 3 V.S.A.
§ 811 because it is not adverse to any party.

A handwritten signature in black ink, reading "Andrea C. Poppiti", is positioned above a horizontal line.

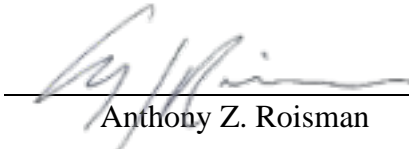
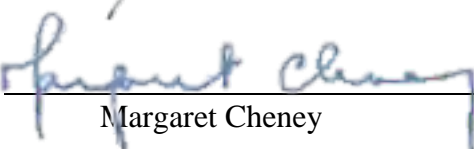
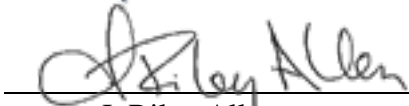
Andrea C. Poppiti
Hearing Officer

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Vermont Public Utility Commission (“Commission”) that:

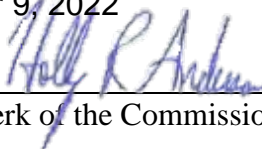
1. The findings, conclusions, and recommendations of the Hearing Officer are adopted.
2. The issuance by the Public Service Company of New Hampshire (“PSNH”), doing business as Eversource Energy, of up to \$600 million of long-term debt and the related mortgage of its property, as proposed and described in PSNH’s petition and described in the findings above, will be consistent with the general good of the State of Vermont. Accordingly, the Commission consents to the financing transaction.

Dated at Montpelier, Vermont, this 9th day of November, 2022.

 _____ Anthony Z. Roisman)	PUBLIC UTILITY
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)	
 _____ Margaret Cheney)	COMMISSION
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)	
 _____ J. Riley Allen)	OF VERMONT
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OFFICE OF THE CLERK

Filed: November 9, 2022

Attest: 

Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

PUC Case No. 22-3900-PET - SERVICE LIST

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