

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DE 24-028

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

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Division of Regulatory Support

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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 February 15, 2024 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 Town of Chester, New Hampshire, in order to allow NHEC to provide electric service to a new customer at Tax Lot 2-38 and to an existing customer at Lot 2-40, already being served by NHEC, where both lots are currently within the Eversource franchise area. In the area at issue, the two lots are proposed to be moved from the Eversource franchise area to the NHEC franchise area within the Town of Chester.

The DOE recommends that the Commission grant the joint petition of Eversource and NHEC to alter the franchise territory in Chester 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).¹ DOE further recommends that the Commission approve the joint petition through an order *nisi*. 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.

¹ As the utilities noted in the joint petition, RSA 374:22 does not apply to NHEC pursuant to RSA 362:2.

Background

On February 15, 2024, Eversource and NHEC filed a joint petition with the Commission to alter their franchise areas in Chester, New Hampshire to permit NHEC to provide service along Pomp Road to Lots 2-38 and 2-40, as shown in Attachment A of the petition. *See* Petition (February 15, 2024).

A residence that is proposed to be built on Lot 2-38 on Pomp Road in the Town of Chester is closer to electric distribution facilities owned and operated by NHEC, than to any such facilities owned and operated by Eversource. The cost for Eversource to extend service to Lot 2-38 would be significantly greater than the cost for NHEC to extend service to that parcel. NHEC already provides electric service to customers on Pomp Road, including to the property owner at Lot 2-40. The majority of Lot 2-40 parcel currently is located within the Eversource franchise area in the Town. NHEC can provide service to Lot 2-38 property with less construction and at a lower cost than Eversource.

Eversource and NHEC request approval to adjust their respective franchise areas in the Town of Chester in order to accommodate the new customer's service request and to reflect the service already being provided by NHEC to the existing customer, both of which the Petitioners state are "all consistent with the public interest." Eversource and NHEC propose to adjust the franchise boundary lines as shown in Attachment A of the petition to reflect the updates to service to accommodate Lots 2-38 and 2-40.

DOE's Analysis

The DOE has considered each lot individually, based upon the information provided in the Petition.

Lot 2-38

The new customer of Lot 2-38 proposes to build a property on the lot and has requested electric service. From Eversource's closest distribution line to this lot, Eversource estimates that a line extension would be about 2,600 feet. In Eversource's Response to DOE Data Request 1-004, Eversource explained that it did not provide an exact engineering cost estimate to perform a line extension to the property in question "because of the distance to any Eversource distribution facilities and the prospective customer's knowledge that NHEC was providing electric service to the neighboring lot." *See* Attachment 2 (Eversource's Response to DOE 1-004). However, Eversource's line extension tariff, effective April 1, 2024, states that the estimated cost to extend an overhead, single-phase distribution facility is \$31.26 per foot. Based upon this average cost for Eversource, the line extension to Lot 2-38 is estimated to be about \$81,276. *See* Attachment 2. Given the closer proximity to the NHEC distribution lines, the estimated cost to extend the line to this lot would be much less. NHEC did not provide an exact estimate. According to the Petition, this customer agrees with Eversource's proposal. Petition, Bates p. 2. DOE has determined that based on the customer's preference and the lower cost to extend the NHEC line, DOE concludes that the franchise adjustment is in the public good.

Lot 2-40

The customer on Lot 2-40 is a current customer of NHEC even though a majority of the lot appears to be located in Eversource's territory. According to NHEC, the customer has been provided service by NHEC since January of 1988. It is unknown why approval from the Commission was not sought to change the franchise boundary at the time. In its response to DOE Data Request 1-01, NHEC suggested that it did not seek prior approval because it thought the lot was in its territory since the lot is right on the franchise territory line. *See Attachment 3* (NHEC's Response to DOE 1-01). Given that NHEC is currently providing service to this customer and nearby lots, DOE concludes that the franchise adjustment is in the public good.

DOE's Recommendation

DOE has reviewed the joint petition and engaged in discovery with both Eversource and NHEC. 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*.

With regards to both Lot 2-38 and Lot 2-40, for the reasons stated above, in the opinion of the DOE, NHEC is the preferred electric service provider for Lot 2-38 and Lot 2-40. 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 Lot 2-38 and Lot 2-40 in the Town of Chester along Pomp Road. DOE further recommends that approval be granted through an order *nisi*.

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