

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 24-107

NEW HAMPSHIRE TRANSMISSION, LLC

Petition for Extension of Financing Authorization Period

Order Approving Extension

ORDER NO. 27,083

December 4, 2024

In this order, the Commission authorizes New Hampshire Transmission, LLC, to extend the term of its loan agreement with NextEra Capital Holdings Inc., for one-year period, ending on December 31, 2025, and to continue to issue long-term, secured debt instruments in an aggregate principal amount not to exceed \$59 million under the loan agreement.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2024/24-107.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

On October 16, 2024, New Hampshire Transmission, LLC (NHT or the Company), filed a petition pursuant to RSA 369:1 and Order No. 24,321¹ for authorization to extend the term of an existing Third Amended and Restated Loan Agreement (Loan Agreement) with NextEra Capital Holdings Inc. (NextEra Capital),

¹ In *Florida Power & Light Company*, Order 24,321 (May 7, 2004), the Commission approved a settlement agreement that acknowledged the regulatory requirements of Florida Power & Light in its operation as a New Hampshire public utility including the requirement to comply with the provisions of RSA 369.

NHT's lender and indirect holding company.² The extension is to run through December 31, 2025. The Company intends to continue to issue long-term secured debt instruments in an aggregate principal amount not to exceed \$59 million as previously approved in Order No. 26,204 (December 21, 2018) & Order No. 26,672 (August 26, 2022). The proceeds of the financing will continue to be used by the Company to finance a multi-phase solution to address concerns associated with aging infrastructure in the Seabrook Substation, including like-kind replacements of horizontal gas-insulated lines, circuit breakers, insulators, and other equipment, and to support other capital costs and operating expenses. See Petition at ¶4.

The extension would only be effective after approval of the Commission. The Company also stated that certain Form F-4 requests are not applicable to this financing because it is in the form of a loan from an affiliated corporation. See Petition at ¶12 and Testimony of Evan Yager at 7.

II. DEPARTMENT OF ENERGY POSITION

On November 8, 2024, Utility Analysts Michael Cronin and Jay Dudley of the New Hampshire Department of Energy (DOE) filed a technical statement in this matter. The technical statement reviewed the procedural history and background. Furthermore, a description of the proposed financing was included. The DOE confirmed that the Company was not requesting new financing authority from the Commission. See Technical Statement at 2. Rather, the petition involved the following request:

² NHT is a wholly owned subsidiary of NextEra Energy Transmission, LLC, itself a wholly owned subsidiary of NextEra Energy Infrastructure, LLC, which is a wholly owned subsidiary of NextEra Energy Capital Holdings, Inc. (NextEra Capital). NextEra Capital is, in turn, a wholly owned subsidiary of NextEra Energy, Inc. The prior dockets referenced in the text of the Order contain the names of the companies in place at the time under the FPL Group Capital, Inc., an umbrella company.

1. Extend the Authorization Period under the existing Loan Agreement for an additional year to December 31, 2025, in a total amount not to exceed \$59 million under existing terms and conditions; and
2. To fund approximately \$9.9 million of costs for improvements to the Project from the available remaining funds under the previously approved Loan Agreement.

See Id.

The DOE determined that the terms of the existing financing remain unchanged from the time of the Commission's order in Docket DE 18-171. Specifically, the following remain true:

1. The maturity of the debt issuances will range from one to thirty years;
2. The Company will seek to price the issuances at fixed rates based on the comparable maturities and rates of U.S. Treasury bonds plus a target credit spread not to exceed two hundred and thirty-two basis points (2.32 percent).
3. Under the terms of the loan agreement, the debt will continue to be secured by a pledge of NHT's revenues and all its assets.
4. Because the debt constitutes an inter-company transaction, the financing does not involve public issuance or private placement; therefore, any issuances are not subject to federal laws and there are no loan documents or issuance documents available for review except for the Loan Agreement.
5. NHT has no retail customers and no retail rates in New Hampshire.
6. Accordingly, NHT only has tariffed transmission rates, which come under the jurisdiction of the Federal Energy Regulatory Commission (FERC).

See Id.

The DOE has recommended approval of the extension. The proposed financing will not have a significant impact on NHT's capital structure and will have a negligible impact on the Company's retained earnings after considering pro forma adjustments in operating revenue and paid-in capital. The DOE stated that the filing continues to conform to the requirements of the settlement agreement approved in Order 24,321 and the requirements of RSA Chapter 369. *See Id.*

III. COMMISSION ANALYSIS

RSA 369:1 states that a utility "may, with the approval of the commission but not otherwise, issue and sell...notes and other evidence of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes." The Commission must conduct a "hearing or investigation as it may deem proper," then authorize the financing "if in its judgment the issue of such securities upon the terms proposed is consistent with the public good." RSA 369:4. The Commission reviews the amount to be financed, the reasonableness of the terms and conditions, the proposed use of the proceeds, and the effect on rates. *Appeal of Easton*, 125 N.H. 205, 211 (1984).

The rigor of an *Easton* inquiry varies depending on the circumstances of the request. We engage in a more limited review for routine financing requests. *Hampstead Area Water Company, Inc.*, Order No. 26,381 at 9 (July 21, 2020). A routine request is one that will have no discernible impact on rates or deleterious effect on capitalization, and in which the funds are to enable numerous investments appropriate in the ordinary course of utility operations. *Id.* (quotations and citations omitted). A routine request calls for a more limited examination of whether the "use of financing proceeds is in the public good without further review of possible alternative uses of the funds." *Id.* (quotations and citations omitted).

NHT has no retail ratepayers in New Hampshire, and we find NHT's request to be routine. When reviewing a routine financing request, we limit our review to whether the use of the financing proceeds is consistent with the public good. RSA 369:4. The Seabrook Substation is a critical node in the New England transmission system due to its geographic location near the North-South interface and the fact that it connects three major 345kV transmission lines. The financing will be used for the procurement of equipment, systems, facilities, materials and supplies, and the conduct of work and services, relating to, used in connection with or supporting Seabrook Substation. As such, this extension of the Authorization Period for financing is essential for NHT to continue its prudent capital and operational expenditure plan that will allow NHT to reliably maintain operation of the facility. See Testimony of Evan Yager at 8. Accordingly, we find NHT's intended use of the proceeds from the financing, and the financing itself, including the extension for one year to conclude December 31, 2025, to be in the public good.

We also agree that certain Form F-4 documents are inapplicable for the reason stated by the Company. See N.H. Admin. R., Puc 201.05. The Company need not provide documents that are inapplicable.

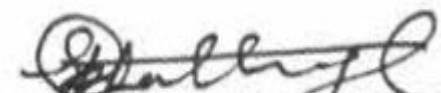
Based upon the foregoing, it is hereby

ORDERED, that New Hampshire Transmission, LLC's financing request, as filed in the October 16, 2024, petition is hereby approved.

By order of the Public Utilities Commission of New Hampshire this fourth day of December, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Service List - Docket Related

Docket#: 24-107

Printed: 12/4/2024

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