

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

NEW HAMPSHIRE TRANSMISSION, LLC)
_____) DOCKET NO. _____

PETITION OF NEW HAMPSHIRE TRANSMISSION, LLC
FOR APPROVAL OF FINANCING

New Hampshire Transmission, LLC (“NHT”) respectfully petitions the New Hampshire Public Utilities Commission (the “Commission”) for approval of financing pursuant to RSA 369:1 and the Settlement Agreement approved in Order No. 24,321 in DE 03-186. NHT further requests that the Commission issue a final order granting the approvals requested herein no later than December 22, 2018. In support of its petition, NHT states the following:

Petitioner

1. New Hampshire Transmission, LLC is a public utility in New Hampshire for the purpose of operating the transmission substation on the grounds of the Seabrook nuclear power plant (“Seabrook Substation”), subject to the conditions set forth in the Settlement Agreement approved in Order No. 24,321 in DE 03-186, 89 NH PUC 267 (2004). See Order No. 25,105 issued on May 26, 2010 in DE 10-042, 95 NH PUC 235 (2010), approving the transfer of Seabrook Substation from Florida Power & Light Company to NHT. NHT is an 88.23% owner of the Seabrook Substation; the balance of the Seabrook Substation is owned by Massachusetts Municipal Wholesale Electric Company, Taunton Municipal Lighting Plant,

and Hudson Light & Power Department. NHT is a wholly owned subsidiary of NextEra Energy Transmission, LLC, which in turn is a wholly owned subsidiary of NextEra Energy Infrastructure, LLC (“NEEI”), which is a wholly owned subsidiary of NextEra Energy Capital Holdings, Inc. (“NextEra Capital”), which is a wholly owned subsidiary of NextEra Energy, Inc.

Background

2. Section II, 1 of the Settlement Agreement in DE 03-108 contained a provision that required:

“With respect to any financing of FPL-NED’s interest in the Seabrook Substation, including any borrowing or the issuance of any notes, bonds or other evidence of indebtedness or securities of any nature, being subject to the provisions of RSA 369 and other applicable regulatory laws of New Hampshire unless FPL or FPL-NED files with the Commission the appropriate certification of another regulatory agency as set forth in RSA 374-A:7, II(c) or any successor statute.”

3. RSA 369:1 requires that a “public utility lawfully engaged in business in this state may, with the approval of the commission but not otherwise, issue and sell its stock, bonds, notes and other evidences of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes.” Under this statute the “proposed issue and sale of securities will be approved by the commission where it finds that the same is consistent with the public good.” This approval extends to “the amount of the issue authorized and the purpose or purposes to which the securities or the proceeds thereof are to be applied, and shall be subject to such reasonable terms and conditions as the commission may find to be necessary in the public interest.” Admin. Rule Puc 308.12 requires a utility to file a Form F-4, which includes a petition for approval of authority to issue securities.

4. This Commission has previously approved through the issuance of orders Nisi (i) the financing agreement with an affiliate, (ii) a modification of that financing agreement,

and (iii) authority to enter into an amended and restated loan agreement for NHT and its predecessor, FPL-NED. *See* Order No. 24,935 in DE 08-164, 94 NH PUC 37 (2009); Order No. 25,138 in DE 10-062, 95 NH PUC 429 (2010); Order No. 25,556 issued on July 30, 2013 in DE 13-138; and Order No. 25,955 in DE 16-813, issued on October 21, 2016. The first order approved a financing of \$36 million for certain planned reliability upgrade improvements at the Seabrook Substation. The second order approved a request to increase the authorized limit to \$63 million, also to finance the Seabrook Substation improvements. The third order approved NHT entering into an amended and restated loan agreement with NextEra Capital, NHT's lender and indirect parent company, for purposes of issuing long-term, secured debt securities in an aggregate principal amount not to exceed \$36 million to repay existing indebtedness and to fund its share of future repairs and upgrades and for other capital costs and operating expenditures. The fourth order approved NHT entering into yet another amended and restated loan agreement with NextEra Capital, for purposes of issuing long-term, secured debt securities in an aggregate principal amount not to exceed \$36 million to fund its share of future repairs and upgrades at Seabrook Substation, and for other capital costs and operating expenses.

5. As recognized in the 2004 settlement approved by the Commission and in subsequent Commission orders, NHT has no retail customers and as such has no retail rates, only tariffed transmission rates approved by the Federal Energy Regulatory Commission ("FERC"), and is therefore subject to only limited regulation by this Commission.

Proposed Financing

6. NHT is seeking authorization to enter into a third amended and restated loan agreement (the “Third Amended and Restated Loan Agreement”) with NextEra Capital, NHT’s lender and indirect parent company. NHT and NextEra Capital intend to consummate agreements for the financing shortly after NHT receives approval from this Commission and other necessary regulatory agencies. NHT wishes to issue long-term, secured debt securities in an aggregate principal amount not to exceed \$59 million during the two year period beginning on January 1, 2019 (the “Financing”).

7. The proceeds of the Financing will be used by NHT 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 (“Reliability Project”) and to support other capital costs and operating expenditures, including a potential financing of the costs associated with NHT’s interconnection facilities to be paid by the Seabrook Nuclear Generating Station. The principal amount of total borrowings under the Third Amended and Restated Loan Agreement, including existing obligation plus new loans, would not exceed \$80,633,431 during the Authorization Period, which includes the outstanding principal balance or existing obligation of \$21,633,431.

8. The terms of the Financing are essentially the same as approved by this Commission and FERC in 2013 and 2016. NHT and NextEra Capital have entered into a new loan agreement, the Third Amended and Restated Loan Agreement, pursuant to which NHT intends to issue proposed securities at the earliest possible date after NHT receives approval from this Commission and FERC. NHT wishes to issue long-term, secured debt securities in an aggregate principal amount not to exceed \$59 million during the two year Authorization

Period. This financing is further described in the prefiled testimony of Carrie Cullen Hitt, President of NHT, which is attached as Exhibit 3, and which explains why the financing is for the public good. NHT is applying for approval from FERC pursuant to section 204 of the Federal Power Act in the same time frame as it is seeking approval from this Commission.

Seabrook Substation

9. The Seabrook Substation is a 345 kV Pool Transmission Facility operated as part of the transmission network of ISO New England, Inc. (“ISO-NE”). It interconnects the Seabrook Nuclear Generating Station, the largest single electric generation resource in New England, with three major 345 kV transmission lines that are key components of the backbone ISO-NE network. Even when the Seabrook Nuclear Generating Station is not operating, the transformer and interconnection facilities associated with the Seabrook Substation are essential to the reliable operation of the ISO-NE transmission network.

10. The Reliability Upgrade was the subject of a petition for declaratory ruling filed with the New Hampshire Site Evaluation Committee, SEC Docket No. 2018-02, and an order issued on August 2, 2018, determining that it was not a sizeable addition within the meaning of RSA 162-H:5, II and that it therefore did not require a certificate of site and facility from the Committee.

Form F-4 Statements

11. NHT proposes to use the net proceeds derived from the loans from NextEra Capital to fund its share of future repairs and upgrades at Seabrook Substation and for other capital costs and operating expenses.

12. Form F-4 requests certain information which is not applicable to this financing because of the form that the financing will take, i.e. a loan from an affiliated corporation. These

items include a description and present amount of authorized and outstanding long term debt, a promissory note, and a statement of capitalization ratios after giving effect to the proposed financing. There is no promissory note involved with this transaction.

13. Form F-4 also asks for a balance sheet adjusted for the financing, and a current income statement adjusted for the maximum amount of the financing. The financial statements are attached hereto as Exhibit 4. Attached as Exhibit 5 is the Written Consent of Sole Member, also required by Form F-4.

Exhibits

14. Attached hereto are the following exhibits:

Exhibit 1 – Third Amended and Restated Loan Agreement

Exhibit 2 – Secretary’s Certificate attaching Certificate of Formation;
Limited Liability Company Agreement; and Certificate of Good
Standing

Exhibit 3 – Prefiled testimony of Carrie Cullen Hitt

Exhibit 4 – Financial Statements

Exhibit 5 – Written Consent of Sole Member

Conclusion

15. NHT believes and, therefore alleges, that the Third Amended and Restated Loan Agreement with NextEra Capital described in this Petition and the attachments hereto will be consistent with the public good and that NHT is entitled to enter into this financing agreement under RSA 369:1 for the purposes herein set forth.

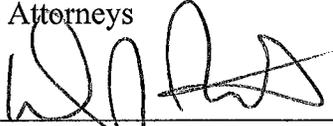
Prayer for Relief

Wherefore, NHT respectfully requests that the New Hampshire Public Utilities Commission:

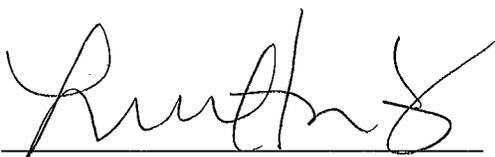
- a) Find that the Third Amended and Restated Loan Agreement for the purposes set forth herein and in the manner and on the terms set forth herein is consistent with the public good;
- b) Pursuant to RSA 369:1 and the Settlement Agreement in DE 03-186, approve and authorize the financing in the manner and upon the terms set forth herein;
- c) Authorize NHT to do all things, take all steps, and execute and deliver all documents necessary or desirable to implement and carry out the proposed financing; and
- d) Grant the authorizations sought without a hearing, by an order Nisi to be final and effective no later than December 22, 2018, and take such further steps and make such further findings and orders as in its judgment may be necessary and consistent with the above-stated request.

Respectfully submitted,

New Hampshire Transmission, LLC
By Its Attorneys



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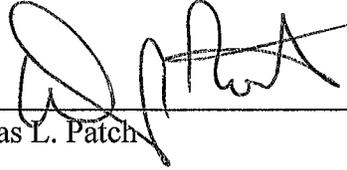


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Dated: November 5, 2018

Certificate of Service

A copy of this Petition has been served by email and first class mail this 5th day of November, 2018 on the Office of Consumer Advocate.



Douglas L. Patch

Dated: November 5, 2018

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