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December 1, 2020

New Hampshire Public Utilities Commission
Attn: Debra Howland, Executive Director
21 South Fruit Street
Suite 10
Concord, NH 03301-2429

Dear Ms. Howland,

Keene Housing (KH) respectfully requests a waiver of Puc 303.02 for Bennet Block Apartments, located at 32-34 Washington Street, Keene NH.

On December 3, 2018, NHPUC approved a request from Keene Housing for a waiver to consolidate the electric meters at Central Square Terrace (CST), a 90-unit historic building offering affordable housing to elderly and disabled residents. PUC staff stated in their analysis that they “recommend that the commission approve the master metering rule waiver request for NH’s Central Square Terrace property, as clarified in KH’s October 24, 2018 filing, and that the waiver is in effect for so long as the property remains subsidized public housing for low and moderate income households.”

Further, staff noted that “...the purpose of the master metering rule is to incentivize energy conservation and efficiency. [In the case of CST] the purpose will be met by the alternate method of making the building’s envelope energy-efficiency and through the installation of a number of energy-efficiency mechanical, lighting and power systems. In addition, the objective of the master-metering rule to incentivize customer energy conservation through individual metering is diluted in this case because tenants do not pay their own utility bills....[C]onsistent with Puc 201.05, Staff concludes that the waiver would serve the public interest by satisfying the purpose of the rule through an alternative method.”

Similar to CST, KH pays for all utilities at Bennett Block, and has developed a plan for renovating the property that includes improvements that will reduce the energy consumption.

Background

KH purchased Bennett Block in 1993 as part of its affordable housing portfolio. In 2009, KH transferred the property to its affiliate, the Monadnock Affordable Housing (MAHC), thereby securing the financial stability of the property. Every residential unit at Bennett Block is subsidized through the U.S. Department of Housing and Urban Development’s (HUD) Project Based Voucher program, ensuring that the property is reserved for low-income Keene residents.



Located at 32 Washington Street in Keene, NH, Bennett Block is a three-story brick masonry building built in 1910. It currently houses 14 residential apartments on the upper two floors, and street front retail (salon) and community/multipurpose space (currently vacant) on the first floor. The building's gross area footprint is 5,300 SF.

KH engaged Stevens & Associates, P.C. of Brattleboro, VT, along with their engineering consultants, John F. Penney Consulting Services and Dubois and King, Inc. to determine repairs and renovations feasible to meet KH's energy conservation goals as well as the modernization of the building. See attached complete feasibility study submitted in December 2019 as part of KH's successful application to the New Hampshire Community Development Finance Agency for a \$500,000 Community Development Block Grant.

KH has publicly committed to a long-term goal of reducing its overall energy and water consumption across its properties, and the renovations at Bennett Block are a part of the strategic plan to achieve that goal. There is a direct relationship between KH's operating expenses and our ability to maintain and expand our stock of affordable housing in the Monadnock region. Quite simply, the less we spend on electric bills the more funding we have available to develop new, desperately needed affordable housing.

The renovation plans at Bennett Block include improvements to the building's exterior thermal envelope by installing new energy efficiency windows and exterior doors, adding close cell spray foam insulation at the basement and elevator penthouse and replacing existing light fixtures with high efficiency LEDs.

This project also aims to restore, preserve and protect the historic Bennett Block exterior façade to stop further physical deterioration and improve its outward appearance and contribution to the historic downtown fabric.

In a staff memo dated July 17, 2020, NHPUC staff recommended that if "KH undertakes substantial renovations to one or more of its facilities (in which the cost of renovation exceeds 50 percent of the building)...and KH files a request for a waiver for the master metering rule for the renovated location(s), then the Commission should consider such a request at that time on an individual basis."

The renovations to Bennett Block are generally modernization, maintenance and repair items. There are no plans for alterations to existing walls. The proposed renovations have a budget greater than 50% of the property's value as outlined below.

BASE CONSTRUCTION COST

Total design and permitting:	\$120,500
Other soft costs:	\$13,000
Hard costs:	\$1,019,500
Total project costs	\$1,268,500
Cost per unit:	\$90,607

ASSESSED VALUE

2020 tax assessment: \$790,300

Consolidation of Meters

The following information on the electricity meters serving Bennett Block was reported by the electrical engineers, Dubois and King Inc.

The apartments (14) and retail areas (2) are metered separately, and each apartment has its own breaker panel.

Currently, all electrical panels and equipment are located inside or on the side of the neighboring building. All meters and service located on the neighboring building need to be removed and relocated onto the Bennett Block property.

The current condition of the electrical service and distribution panels and feeders have met the end of their service life. Some of the equipment dates to the original building construction (1910) and there are several Federal Pacific panels observed that must be replaced.

New feeders will need to be provided to all of the apartments. Currently they are using SE cable that is rated for 70A. Because of current needs and future additional loads for adding heat pumps, the services should be upgraded to a minimum of 100A. Approximately 75% of the apartments have unprotected wiring running behind baseboards to boxes and will require wiring to be shielded and brought up to code.

If the meters are not consolidated the upfront cost of relocating all of the meters will cost KH an additional \$20,000 to \$30,000 according to Dubois and King Inc. The added cost would largely be due to relocation of the existing meters since the current meter closets do not have the proper clearances and are not up to code. This would also include having to build out an electrical room in the basement. Consolidating the meters and having a much smaller meter bank using an existing storage room will save considerable up-front costs.

Benefits

1. **Cost Savings (Customer Charges):** Estimated annual bill savings due to fewer customer charges if the meters are consolidated are calculated to be approximately \$1,700 per year. When meters are consolidated, the property will be on the General Service rate. With this rate, a demand meter will be installed. Demand was estimated for the year and accounted for in the savings projections.
2. **Cost Savings (Relocation of Meters):** As noted above, consolidating the meters will cost \$20,000 to \$30,000 less than moving all of the individual meters and bringing them up to code. This is a substantial impact on the renovation costs.

3. **Accounting:** KH is currently being invoiced for individual meters for 6 common areas and 14 apartments at Bennett Block. Internal savings in time and resources would be realized if this number was reduced to one master-meter. Tenants are not billed for their usage and never see a bill.
4. **Renewable energy:** KH continues to research and implement opportunities for renewable energy. Solar arrays were installed on KH's Harper Acres (2018) and Forest View (2019) properties and an array is currently being installed at North & Gilsum. All are located within the city of Keene. With all three projects, it has been demonstrated that installing solar is more feasible when there is one property electricity meter.
5. **Aging Equipment:** As noted above, the electrical meters at Bennett Block have reached the end of their useful life and are in need of updating. Additionally, KH plans to install heat pumps at a later date, so the electrical system will be upgraded to meet the requirements of the more efficient heating system.

Construction at Bennett Block is expected to begin in early 2021 and will be completed by fall 2021. We appreciate your timely consideration of our request and are happy to provide additional information upon request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joshua Meehan", with a long horizontal flourish extending to the right.

Joshua Meehan
Executive Director

Attachments:

NHPUC letter 12/3/2018
NHPUC letter 7/17/2018
Feasibility study dated 12/2019