

STATE OF NEW HAMPSHIRE

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Daniel C. Goldner

COMMISSIONER
Pradip K. Chattopadhyay

COMMISSIONER
Carleton B. Simpson



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PUBLIC UTILITIES COMMISSION

21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

December 20, 2023

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 363:24 authorize the acceptance of the New Hampshire Public Utilities Commission Biennial Report for the period July 1, 2021 through June 30, 2023, effective upon Governor and Council approval.

EXPLANATION

Attached, please find copies of the Biennial Report for the New Hampshire Public Utilities Commission for the 2022 – 2023 Fiscal Years as required by law.

Sincerely,

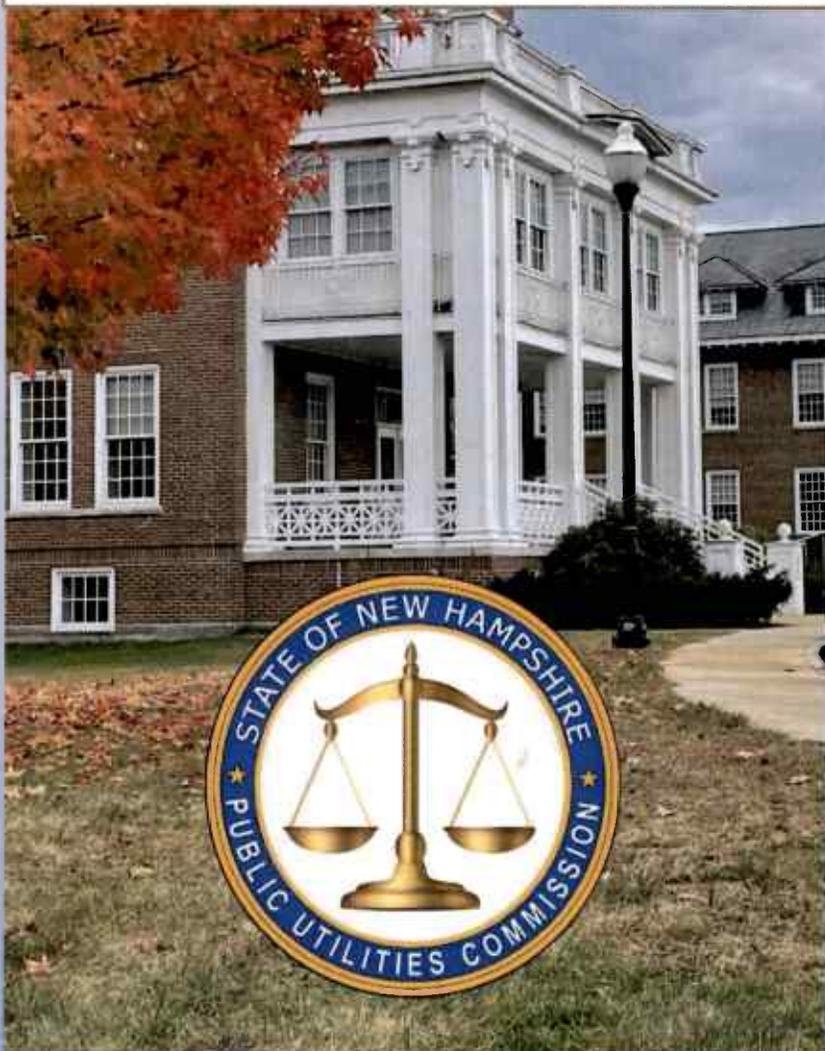
A handwritten signature in black ink that reads "Daniel C. Goldner".

Daniel C. Goldner
Chairman

Attachment: 2022 – 2023 Biennial Report

BIENNIAL REPORT

2022 - 2023
Public Utilities Commission



Christopher T. Sununu
Governor

Joseph D. Kenney
Executive Councilor
District 1

Cinde Warmington
Executive Councilor
District 2

Janet Stevens
Executive Councilor
District 3

Theodore L. Gatsas
Executive Councilor
District 4

David K. Wheeler
Executive Councilor
District 5

Jeb Bradley
Senate President

Sherman Packard
House Speaker

Kevin Avard
Chair of Senate
Energy and Natural
Resources Com.

Michael Vose
Chair of House
Science and
Technology Com.

December 1, 2023

His Excellency, Governor Christopher T. Sununu, the Honorable Executive Council, and Legislators,

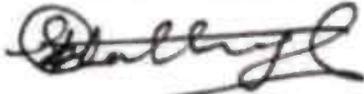
Pursuant to RSA 363:24, we are pleased to submit the biennial report of the New Hampshire Public Utilities Commission for fiscal years 2022 and 2023. Since the creation of the Department of Energy transferred many former functions from the Commission, this report reflects the activities for the biennium, which remain in the Commission's purview.



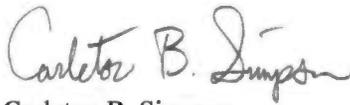
Respectfully Submitted,



Daniel C. Goldner
Chairman
Public Utilities Commission



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Mission Statement

To ensure that customers of regulated utilities receive safe, adequate, and reliable service at just and reasonable rates.

To foster competition where appropriate. To provide necessary customer protection.

To provide a thorough but efficient regulatory process that is fair, open, and innovative.

To perform our responsibilities ethically and professionally in a challenging and supportive work environment.

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History

1838 A statute provided for appointment of commissioners with limited powers regarding railroads in the state. This was the first attempt by the state to regulate transportation.

1911 Comprehensive legislation instituted a new system for establishing and regulating public utilities and railroads. As a result, the Public Service Commission was created as a state tribunal and given broad supervisory and regulatory powers over public utilities.

1951 Public Service Commission's name was changed to Public Utilities Commission (Commission).

1979 The Legislature made the Commissioners full-time and generally amended the structure and guidelines of the Commission.

1985 The Department of Transportation was established and the Commission's transportation-related functions were transferred to the new department. Since then, Commission cases traditionally have focused on rates, financings, and franchises, with tariffs governing nearly all aspects of utility service. The granting of exclusive franchises to public utilities effectively results in monopoly power over customers. Regulation serves as a substitute for market forces to constrain that power.

1996 A law was passed that initiated the restructuring of the electric utility industry in New Hampshire. The goal of the restructuring was to reduce costs and harness the power of competitive markets by introducing customer choice with respect to a customer's energy provider. Electric generation service was separated from distribution and transmission services and was provided on a competitive basis.

2018 The last of the utility-owned generation plants were sold, marking the completion of the transition from vertically integrated electric utilities to distribution-only utilities. This completed electric utility restructuring in New Hampshire. The introduction of competitive suppliers and aggregators in New Hampshire's energy market expanded the scope of the Commission's regulatory purview.

2000-2021 Over the past two decades, the Commission has been occupied with issues in the regional energy markets. By advocating for New Hampshire's interests at the regional and national level, the Commission has been able to avoid millions of dollars that certain policy and market initiatives would have imposed on New Hampshire. Without a state energy policy agency during this period, the Commission's role expanded beyond its traditional regulatory functions and took a leading part in utility infrastructure safety, emergency response, and cyber security. The Commission administered the state's renewable portfolio standards statute and managed the Renewable Energy Fund and its related rebate and competitive grant program.

2021 The Department of Energy was created on July 1, 2021. The Commission maintains its responsibilities as the adjudicative body that oversees regulated utilities and utility-related programs in the state.

Commissioners

Commissioners are appointed for six-year terms by the Governor, subject to Executive Council approval. Commissioner terms are staggered, with one term expiring every odd-numbered year. The Governor, with Executive Council approval, appoints one of the Commissioners as Chair. One Commissioner must be an attorney, and at least one of the remaining Commissioners must have experience in engineering, economics, accounting, or finance. The following individuals served as Commissioners during 2022 and through December 1, 2023

DANIEL C. GOLDNER

Daniel C. Goldner was appointed to serve as Chairman of the Commission effective November 15, 2021; he has served as a Commissioner since May 5, 2021. Chairman Goldner also chairs the Site Evaluation Committee (SEC) and New England Conference of Public Utility Commissioners (NECPUC). He is also a member of the Nuclear Decommissioning Finance Committee. Chairman Goldner's term on the Commission expires July 1, 2025.

Chairman Goldner holds a Bachelor of Science in Mechanical Engineering from Kansas State University and an MBA from Southern Methodist University.

Chairman Goldner has more than 30 years' experience in high technology. He began his career as a design engineer and went on to hold executive leadership roles in finance, accounting, operations, marketing, engineering, and program management. He has extensive experience in finance and acquisition activities. After working as the Controller for a California based acquisition, he was Vice President, growing a high-performance analog semiconductor business from \$800 million to \$3 billion in four years. He then spent three years in Oslo, Norway with a high-tech start-up acquisition and was responsible for utility related product development and applications. After repatriating to Manchester in 2010, he managed next generation technology development for a \$1 billion Power Electronics business. Chairman Goldner retired from the semiconductor business in 2019.

PRADIP K. CHATTOPADHYAY

Pradip K. Chattopadhyay was appointed to serve as a Commissioner in December 2021. Commissioner Chattopadhyay's term on the Commission concludes on July 1, 2027.

Commissioner Chattopadhyay has a Ph.D. in Economics from the University of Washington, and a M.Sc. in Economics from the University of Calcutta, India.

He has been involved in Energy matters for the last 22 years, 20 of which he has spent working in New Hampshire as a Senior Advisor with the New Hampshire Public Utilities Commission, the Assistant Consumer Advocate with the Office of the Consumer Advocate (OCA), a Utility Analyst with the Commission, and briefly with Liberty Utilities. He has also worked in Minnesota with the State's Attorney General's Office, and in India as a consultant as well as an Economist with the Uttar Pradesh Electricity Regulatory Commission. He has some peer-reviewed publications in Energy Policy and International Economics. He has provided numerous testimonies on Cost of Capital, and other gas and electric matters before the Commission and Minnesota's Public Utilities Commission. He has extensive experience working on regional electric matters and has participated on behalf of New Hampshire Public Utilities Commission and the OCA in many ISO-NE, NEPOOL and FERC meetings and proceedings. He has also taught Economics as an Adjunct Faculty at Southern New Hampshire University since 2005.

CARLETON B. SIMPSON

Carleton B. Simpson was appointed to serve as a Commissioner of the New Hampshire Public Utilities Commission in November 2021 and re-appointed in July 2023. Carleton’s term on the Commission concludes on July 1, 2029.

Commissioner Simpson has a J.D. focused on Energy and Environmental Law from Suffolk University Law School, a M.S. in Electrical and Computer Engineering from Worcester Polytechnic Institute, and a B.S. in Electrical Engineering from the University of New Hampshire. Commissioner Simpson has been a member in good standing of the New Hampshire Bar and Federal District of New Hampshire Bar since 2019.

Commissioner Simpson started his career at Unitil as an engineer responsible for developing regulatory compliance programs pertaining to FERC and NERC electric reliability standards. He then served as the company’s Director of Government Affairs and subsequently as in-house legal Regulatory Counsel. In these roles, Commissioner Simpson was responsible for leading clean energy strategy efforts before legislators and regulators in New Hampshire, Massachusetts, Maine, and federal delegations. He has served as an expert witness in numerous proceedings pertaining to solar generation development, electric vehicle infrastructure and adoption programs, and time-of-use rate design. Commissioner Simpson has extensive experience working on matters pertaining to electricity and natural gas distribution and transmission, cyber security, electrification, decarbonization, and energy market regulation.

Scope of Regulation

Public utilities in New Hampshire enjoy a monopoly over the services they provide. Electric distribution utilities provide distribution service exclusively within their approved franchise areas, as do natural gas, water, and sewer utilities. Although, both electric and gas utilities are required to transport third-party power or gas over their distribution networks to customers within their franchise area as permitted, they may prevent other parties from developing parallel distribution systems. Because such parallel networks are viewed as duplicative and economically inefficient, policymakers have developed a legislative framework that allows these monopolies but provides economic regulation to prevent utilities from imposing higher monopoly pricing on their captive customers.

As an economic regulator, the Commission provides a substitute for the pricing constraints normally provided by a competitive market. The Commission's regulatory role is critical to utility customers. The Commission must ensure that regulated utilities charge customers no more than the actual cost of their services plus a reasonable return on their investment. Utility rates in all cases must be just and reasonable.

In order to support this regulatory duty to limit monopoly pricing, the Public Utilities Commission is vested with general jurisdiction over electric, natural gas, and water and sewer utilities as defined in RSA 362:2. This supervision includes issues such as rates, quality of service, finance, and accounting, with limited jurisdiction over telecommunications as defined in 362:7, 362:8, 363:22 and 365:1. Typically, these public utilities are investor-owned electric, telephone, natural gas, water and sewer utilities. The Commission is the arbiter between the interests of these utilities and their customers. RSA 363:17-a.

The regulatory process necessarily requires public hearings, audits of public utilities, and other forms of inquiry and investigation to ensure that the utilities provide high-quality service at rates that are just and reasonable for both the customer and the utility. The Commission investigates issues ranging from existing or proposed rates, charges, and classifications; rules and regulations; financings; acquisitions and other utility regulatory matters including municipalities' acquisition of utility plants. These may be the subject of informal investigations or formal hearings in which the Commissioners sit in a quasi-judicial capacity. Hearings before the Commission are open to the public.

The Commission also oversees the procurement process undertaken by electric distribution utilities to supply electric power to customers that do not obtain energy from non-utility suppliers, as well as guarantees supply as the last resort. This service offering is known as "Default Service." Default service rates are based on market prices obtained through competitive requests for proposals in which the utilities solicit wholesale power market bids to serve customer load. Natural gas customers similarly obtain power from the gas distribution utility at market-based prices set through semi-annual cost of gas proceedings, unless the customer obtains gas supply from a competitive provider.

In addition to various competitive service providers, municipalities or counties may aggregate their residents' electric load and provide electric supply to their residents under RSA 53-E. Following the restructuring of the electric industry pursuant to RSA 374-F, public utilities no longer own electric generation facilities, however, RSA 374-G offers a limited exception in which utilities may own smaller-scale renewable energy facilities.

Following amendments to RSA 53-E, the Commission reviews and approves municipal and county aggregation plans that are offered as opt-out, meaning that if customers do not expressly opt out of the aggregation plan, they will be automatically included in the aggregation and billed for the electricity supplied to them. The Commission reviews and approves certain utility services to municipal and county aggregators, such as billing services and rates associated with the use of billing services.

The Commission is also tasked with implementing streamlined tariffs and interconnection procedures to support and encourage customer-owned electric storage facilities pursuant to RSA 374-H. RSA 362-A:9 requires the Commission to set rates that public utilities pay for net metered energy produced by customer owned renewable energy facilities. Net metered energy is energy produced above that consumed by the customer and is fed into the distribution system from the customer premises.

Electric Utilities

Four electric distribution companies operate in New Hampshire, each serving a mutually exclusive franchise territory.

Public Service Company of New Hampshire d/b/a Eversource Energy

Eversource serves approximately 534,000 customers or 71 percent of the retail customers in New Hampshire. The company serves geographically and demographically diverse areas, ranging from urban, southern areas to rural, northern areas of the state. Eversource sold its fossil and hydro generation facilities in New Hampshire pursuant to a settlement approved by the Commission. The sale was completed in 2018. Since 2018, Eversource has operated as a distribution and transmission-only electric utility.

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty

Liberty has a franchise territory that includes western and southern areas of the state, serving approximately 46,000 customers in 21 communities, or approximately 6 percent of the retail customers in New Hampshire.

Unitil Energy Systems, Inc.

Unitil serves approximately 81,000 customers in the Seacoast and Capital areas, or approximately 11 percent of New Hampshire's retail customers. Unitil Energy Systems, Inc. is a subsidiary of Unitil Corporation.

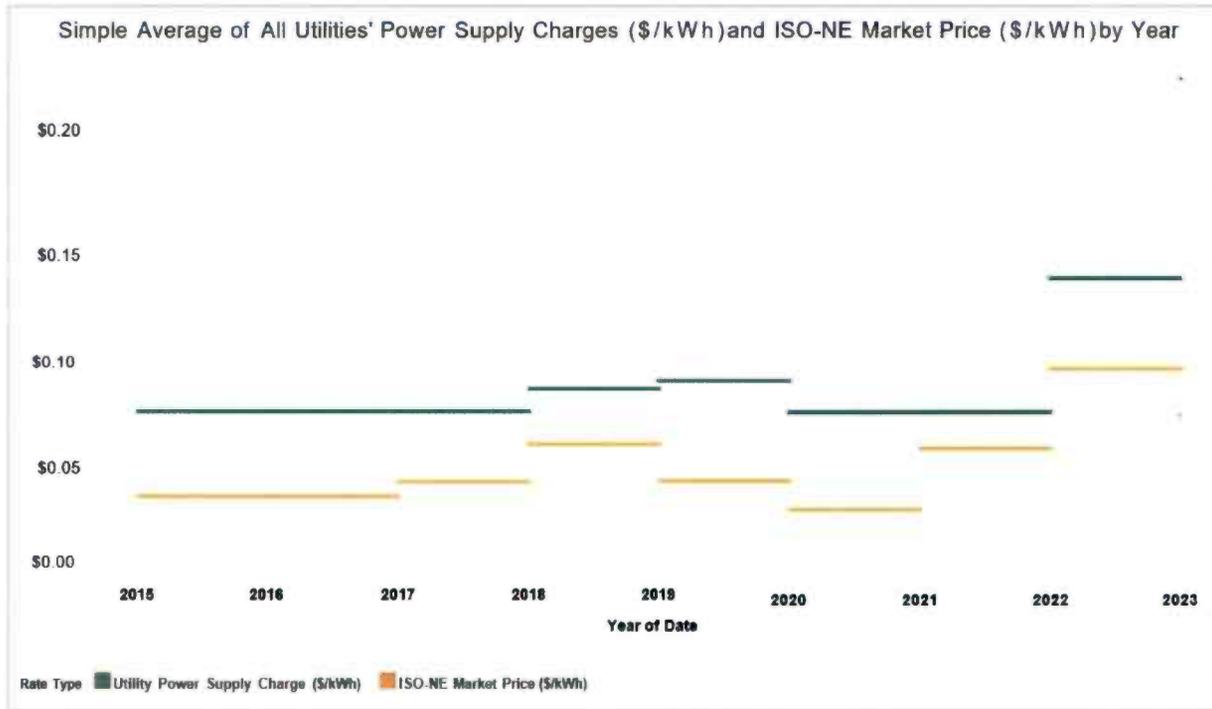
The New Hampshire Electric Cooperative, Inc. (NHEC)

NHEC provides electric service to approximately 88,000 customers or about 12 percent of retail customers throughout the central part of New Hampshire. NHEC is a rural cooperative and holds a certificate of deregulation with the Commission. As a result, NHEC is not rate regulated, although it is subject to some oversight from the Commission and is required to allow its customers to purchase electric supplies from third-party competitive providers.

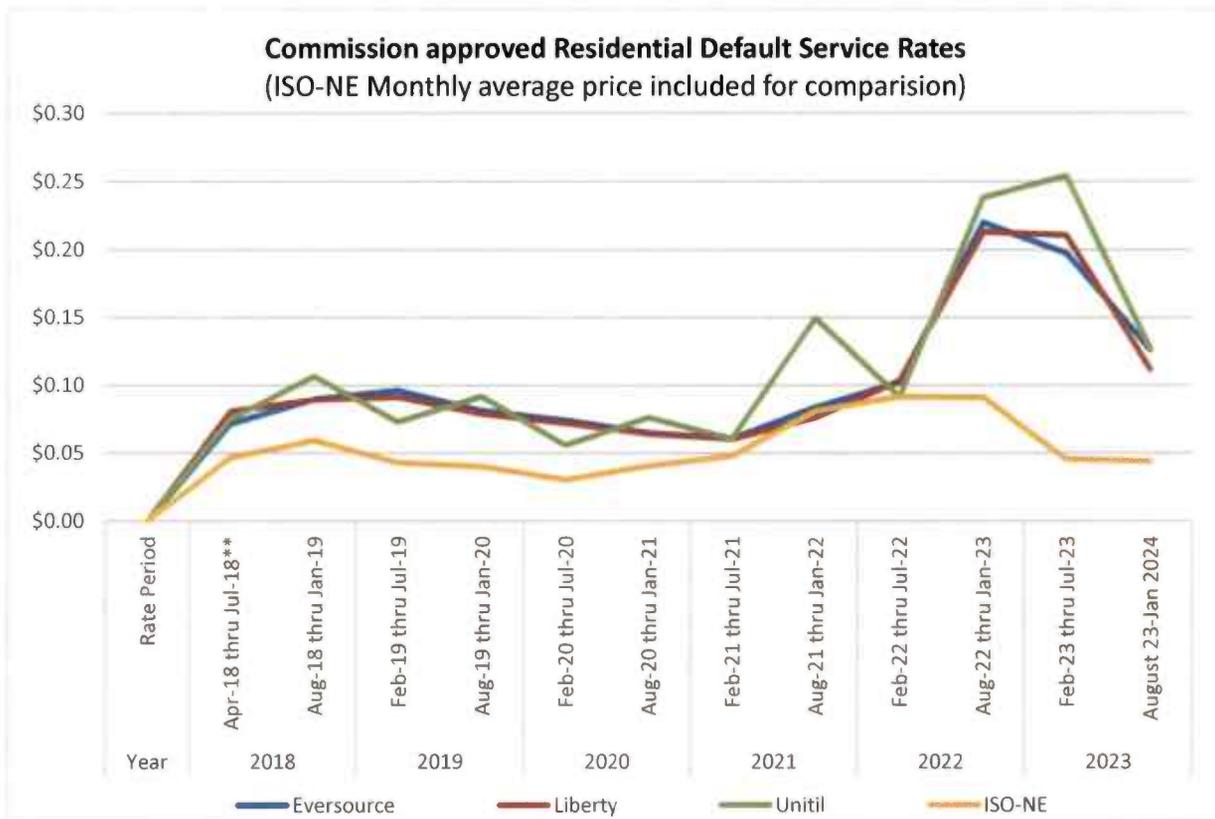
Electricity Supply

As a result of electric restructuring, all electric customers of regulated utilities in New Hampshire may choose a competitive electric provider or obtain energy as a commodity by means of a “default service” offering through their respective distribution utilities.

The following figure shows the difference between the average power supply charges across the regulated New Hampshire utilities and the final loaded wholesale price of energy in the ISO-NE market for residential customers. Today, electric utilities in New Hampshire enter into six-month contracts with wholesale electric suppliers to provide “default service” offerings to customers who do not choose a competitive electric provider. For each six-month period, the qualified wholesale suppliers bid a fixed price at the request of each electric utility with, generally, the lowest price bid awarded a contract to the wholesale supplier. In return for providing a fixed price over the coming six-month period the wholesale suppliers extract a premium based on market conditions, which can include the number of bidders. Recently, there have generally been fewer bidders. As volatility increased in 2022, it appears the premium also increased. This premium is ultimately passed through to customers by electric utilities.

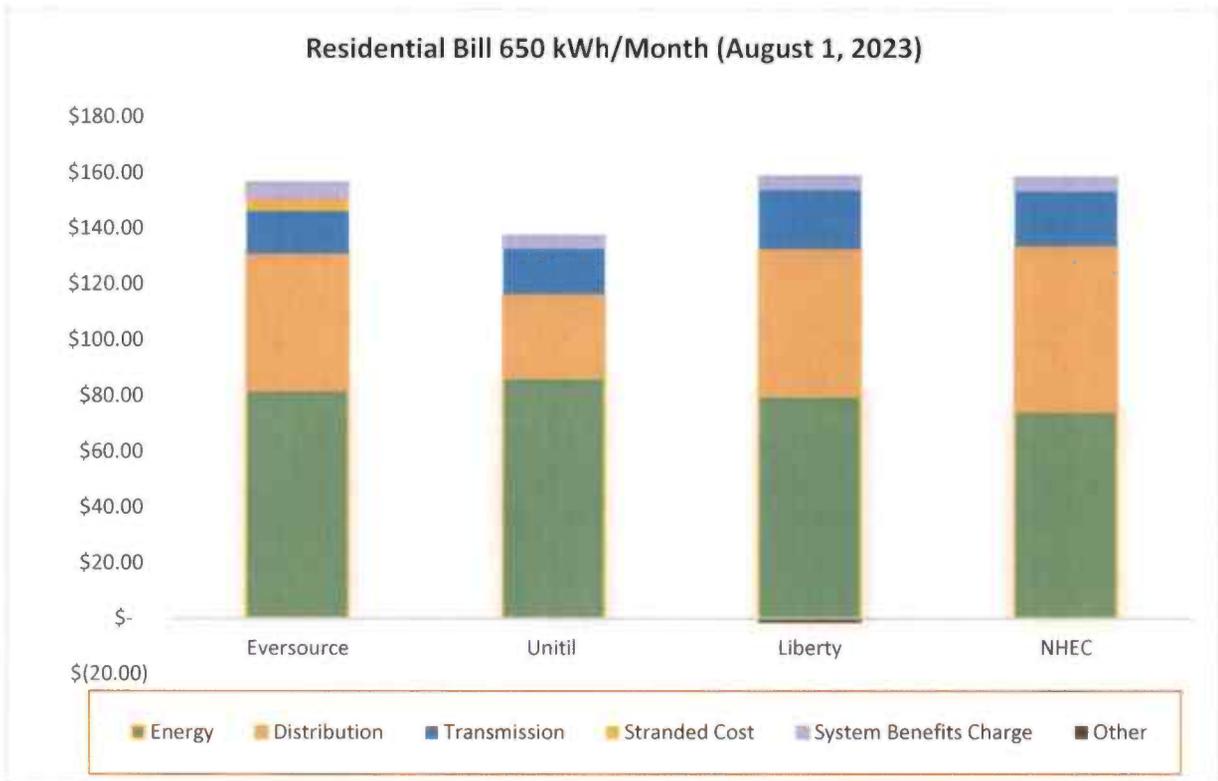


A utility-by-utility comparison can be seen below, relative to average ISO-NE prices for the same period.



The next chart provides a comparison across utilities, using August 2023 billing data for a typical customer consuming about 650 kWh of electricity per month. It demonstrates that the energy portion of the bill has been comparable across utilities, forming the largest portion of a typical bill, followed by distribution and transmission charges. The components of a typical bill include the following:

- **Energy Cost:** This is the cost that a ratepayer pays for the commodity, electricity, itself. As described earlier, the customer can purchase the commodity through a competitive supplier, community aggregation program, or by means of the default service offering of the distribution utility.
- **Distribution Charge:** This is the cost to deliver energy to customers, sometimes referred to as “poles and wires”. This includes two components: a fixed customer charge and a separate charge associated with delivering electric service to customers to cover maintenance and operation of the delivery system.¹
- **Transmission charge:** This is a charge to the customer for the cost of building, maintaining, and operating the regional transmission system that transports electricity from generators to the distribution system. These rates are regulated by the Federal Energy Regulatory Commission (FERC).
- **Stranded costs:** Pursuant to Eversource’s divestiture of generation assets, the Company was allowed recovery of costs that were stranded because of the divestiture. These costs are allocated among customer classes pursuant to Order No. 25,920 (July 1, 2016).
- **System Benefits Charge:** This is a portion of the customer’s energy bill that is required to fund state policies such as energy efficiency programs and low-income bill assistance for qualified households.



¹ This definition of distribution charge also applies to gas customers.

Gas

New Hampshire has two regulated gas distribution utilities serving approximately 133,000 customers: Liberty Utilities/EnergyNorth and Unitil/Northern Utilities. Liberty and Northern each provide gas delivery and supply to their residential customers and a combination of either transportation only or of both transportation and supply to their commercial and industrial (C&I) customers. In addition, all natural gas customers pay a local distribution adjustment charge (LDAC) which covers the cost of low-income and energy efficiency programs as well as reconciling various other distribution charges.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty

Liberty provides service to approximately 99,000 gas customers in New Hampshire. Liberty's service area covers the Merrimack River valley from Nashua to the Lakes Region and a small portion of Berlin. Liberty also owns and operates a propane air system that serves approximately 1,200 customers in Keene.

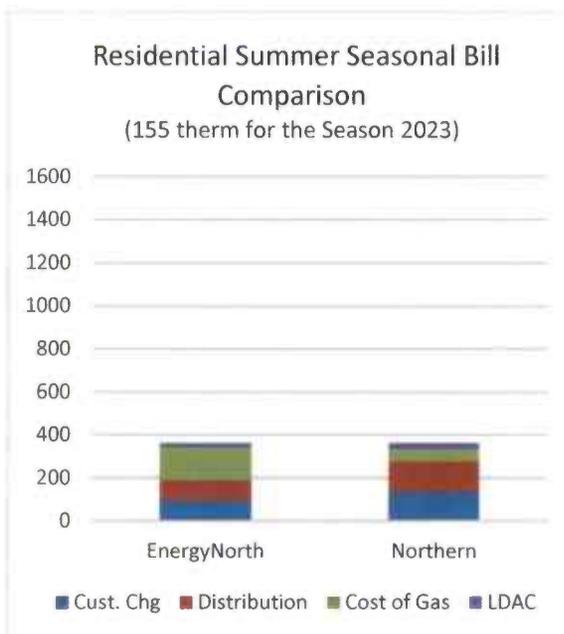
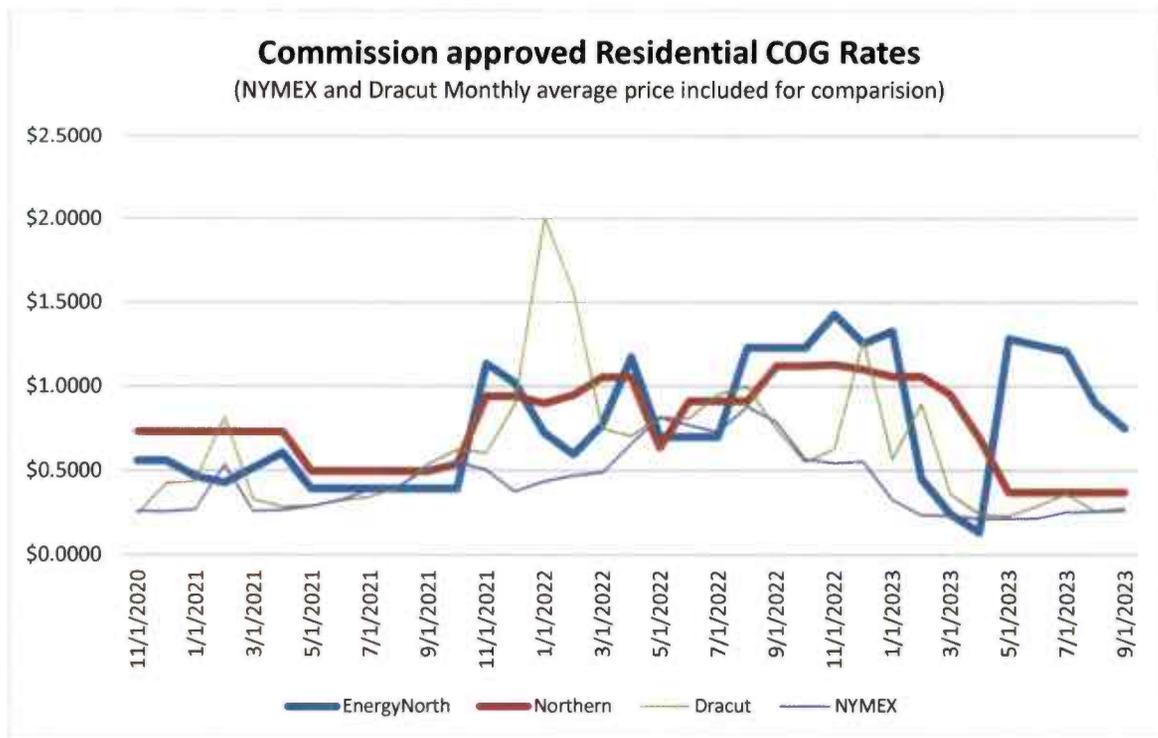
Northern Utilities, Inc.

Northern provides service to approximately 36,000 gas customers in New Hampshire. Northern's service area covers the southeastern and seacoast areas of New Hampshire. Northern Utilities, Inc. is a subsidiary of Unitil Corporation.

Gas Supply

C&I customers may purchase gas supplies directly from the competitive wholesale markets and take only gas transportation services from Liberty or Northern. Wholesale gas prices have experienced volatility over the last 5-10 years as evidenced by the table below showing rates for supply to customers compared with wholesale gas prices. Because gas supply is a competitive commodity, the Commission does not regulate its costs, however, the Commission does examine how Liberty and Northern choose to dispatch their supply to ensure that gas supply rates are as low as possible. The gas industry assesses gas supply rates using the New York Mercantile Exchange (NYMEX) for gas future prices as well as Dracut Hub (Massachusetts) for local price indices.

The following chart depicts variations in gas rates relative to NYMEX and Dracut prices. The cost of gas (COG) rates reflect various factors in addition to market prices, such as gas utility portfolio (e.g., pipeline capacity and commodity, storage, peaking supplies, etc.), over and under-collection from the previous year, and other adjustments. The next two charts provide seasonal bill comparisons between two gas utilities.



Water Utilities

The Commission regulates 10 water utilities. The 10 water utilities own approximately 105 separate systems, ranging in size from 37 customers to about 28,300. Pennichuck Water Works, Inc. is the largest water utility, serving the greater Nashua area and several smaller systems in the southern part of the state.

The 10 water utilities regulated by the PUC serve roughly 15% of all of New Hampshire's residents. The majority of residents are served by either a municipal utility or by private wells. It is estimated that 38% of New Hampshire residents receive their water from private, on-site wells.

The water utilities are grouped by size into Classes A, B and C pursuant to N.H. Code Admin. Rules Puc 602. Class A represents water utilities having annual water operating revenues of \$750,000 or more, including Aquarion Water Company of New Hampshire, Inc. (owned by the Eversource Energy parent company); Pennichuck Water Works, Inc.; Pennichuck East Utility, Inc.; Pittsfield Aqueduct Company, Inc.; Lakes Region Water Company, Inc.; and Hampstead Area Water Company, Inc. Class B represents water utilities having annual water operating revenues of \$150,000 or more, but less than \$750,000. Class C represents water utilities having annual water operating revenues of less than \$150,000.

Utility	Area Served
Aquarion Water Company of New Hampshire	Towns of Hampton, North Hampton; limited area of Rye; and limited areas of Belmont, Bow, Carroll, Crawford's Purchase and Gilford
Forest Edge Water Company	Limited area of Conway
Fryeburg Water Company	Limited area of Conway
Hampstead Area Water Company, Inc.	Limited areas of Atkinson, Chester, Danville, East Kingston, Fremont, Hampstead, Kingston, Newton, Nottingham, Plaistow, Salem, Sandown, and Strafford
Lakes Region Water Company	Limited areas of Albany, Campton, Conway, Freedom, Gilford, Laconia, Moultonborough, Ossipee, Tamworth, Thornton and Tuftonboro
Mill Brook Village Water System	Limited area of Thornton
Pennichuck Water Works, Inc.	City of Nashua, Town of Amherst; limited areas of Bedford, Derry, Epping, Hollis, Merrimack, Milford, Newmarket, Newton, Plaistow, Salem and Tyngsborough, MA
Pennichuck East Utility, Inc.	Towns of Litchfield, Pelham, Windham; limited areas of Atkinson, Barnstead, Bow, Chester, Conway, Derry, Exeter, Hooksett, Lee, Londonderry, Middleton, Plaistow, Raymond, Sandown, Tilton and Weare
Pittsfield Aqueduct Company, Inc.	Town of Pittsfield
West Swanzey Water Company, Inc.	Limited area of Swanzey

In general, the Commission does not regulate municipal water and sewer utilities. Municipal utilities include the town- or city-owned systems, water districts and water precincts where customers participate in the management of the utilities through a democratic voting process.

Only in circumstances where a municipal water or sewer utility serves customers outside its corporate boundaries does state law require Commission review. Municipal utilities are not regulated if the rates charged to customers outside its boundaries are the same as those set within. If the municipal utility wishes to assign its outside customers a higher rate, it must seek Commission approval. However, a municipal water utility may charge new customers outside its boundaries a rate up to 15% higher than its inside customers and remain exempt from regulation if those new customers are added through the main extension or other expansion of the municipal system.

In response to water supply and water pollution problems in southern New Hampshire, the Department of Environmental Services has promoted a large water infrastructure investment project referred to as the Southern Interconnect Project (SIP). The SIP is primarily funded by the New Hampshire Drinking Water and Groundwater Trust Fund. The SIP infrastructure improvements include a new source of supply taken from the Merrimack River in Hooksett, New Hampshire developed by Manchester Water Works. The additional water supply is distributed south through several regulated water utility service territories to deliver additional supply to towns along the route. The initial phase of the SIP is in service with additional phases planned as population and demand for water increase in the southern tier of the state.

Sewer Utilities

The Commission regulates five sewer utilities, which is unchanged since the previous biennial period.

Utility	Area Served
Abenaki Water Company-Belmont	Belmont
Atkinson Area Waste Water Recycling	Atkinson
Bedford Waste Services Corp.	Bedford
Bodwell Waste Services Corp.	Manchester, Londonderry
Lorden Commons Sewer Company, LLC	Londonderry

Operations

In July 2021, the legislature divided the Commission into two separate agencies, the Public Utilities Commission and the New Hampshire Department of Energy. Immediately following this transition, the Commission was left with a number of unfilled positions and a backlog of pending dockets.

In mid-November 2021, as the prior Biennium ended, the Commission was left with one Commissioner and five full time employees. By the end of 2021, two additional Commissioners joined the Commission returning it to a three Commissioner body. Over the course of the biennium, the Commission has added staff and is now at nearly full capacity of thirteen full time employees and three Commissioners, as shown in the organizational chart below.

The legislative reorganization moved many administrative and policy responsibilities to the newly formed Department of Energy and focused the Commission on the ratemaking and financial regulatory functions it always possessed. The legislature also reduced the total personnel in the Commission from approximately 70 employees to the current 16 employees.

Along with filling vacant staff positions and developing internal work processes, the Commission has focused on measuring and improving the performance of its core functions. The Commission opens and conducts roughly 100 proceedings a year and issues 150-200 substantive orders a year. Those proceedings and orders address the regulatory areas discussed above.

Metrics Summary: The metrics displayed below are selected to analyze the Commission’s operations performance, meaning each metric reflects the Commission’s output or the processes over which it has reasonable control.

Departmental Priorities Metrics	2020	2021	2022	2023 Goal
# Old Dockets Closed	7	13	22	10
Average days from receipt of filing to acknowledgement letter	4	16	6	5
Average days from first hearing to docket close	159	163	65	60
Number of Orders issued	118	116	195	150

Departmental Priorities Metrics Q1 2023			
# Old Dockets Closed			2
Average days from receipt of filing to acknowledgement letter			4
Average days from first hearing to docket close			68
# Of Orders issued			41

Departmental Priorities Metrics Q2 2023			
# Old Dockets Closed			0
Average days from receipt of filing to acknowledgement letter			3
Average days from last hearing / or Commission action to docket close			48
Total # of Orders issued			40

Departmental Priorities Metrics Q3 2023			
# Old Dockets Closed			5
Average days from receipt of filing to acknowledgement letter			4
Average days from last hearing / or Commission action to docket close			77*
Total # of Orders issued			54

*Corrected

The metrics are designed to measure the Commission’s responsiveness and efficiency in performing its core functions, processing and concluding docketed matters impacting customers and utilities. The metrics show steady improvement in the areas measured over the biennium.

In addition to its adjudicative functions, the Commission has conducted a number of in-depth, non-adjudicative investigations into topics related to utility regulation.



New Developments

Consolidation of Water Utilities

The trend in water company consolidation continued with Aquarion's purchase of Abenaki Water Company in late 2021. Aquarion serves more than 9,000 customers in New Hampshire and Abenaki serves approximately 725 water customers and 158 sewer customers in New Hampshire. At the time of the acquisition Abenaki had filed a rate case requesting steep rate increases to fund extensive upgrades to its various water systems. As part of the acquisition, Abenaki and Aquarion agreed to withdraw the pending Abenaki rate case, freeze rates during a transition period while Aquarion took over operations, and fund with investor money \$280,000 in water system upgrades.

Transfer of Utility Pole Plant

Eversource Energy and Consolidated Communications proposed a transfer to Eversource of all of Consolidated's partially or wholly owned telephone poles located in the Eversource New Hampshire service territory. The pole plant to be transferred consisted of approximately 70 percent of Consolidated's poles in New Hampshire, or about 343,000 jointly owned poles and 3,800 wholly owned poles. The transfer settled outstanding vegetation management charges owed to Eversource and placed a rate freeze on pole attachment rates for two years post-closing. The parties claimed that the transfer would benefit customers due to the higher standard of care exercised over poles by Eversource. The pole transfer transaction closed in May, 2023.

Community Power

RSA ch. 53-E enables municipalities and counties in New Hampshire to aggregate retail electric customers to provide access to competitive market electric energy supply and related services. As a result of recent amendments to RSA Ch. 53-E dealing with municipal aggregators, the Commission has seen increased interest from municipalities in forming community power organizations. Since 2022, the Commission has approved approximately 40 community aggregation plans. This trend represents potentially significant migration away from utility provided default service. Increased community aggregation also has the potential to increase the development of distributed generation resources by municipalities.

Grid Modernization

New Hampshire is experiencing increased diversity and scattered location of various electric generation resources even as the overall load remains flat. If the load were to increase due to EV charging and building electrification, these trends would place greater demands on the distribution system. Third party providers are increasingly seeking more granular and real-time load data as well as streamlined interconnection processes. Community Power providers are among the parties seeking more data from the distribution system. In addition, a statewide online energy data platform to provide access to customer data is under development to support third-party offerings (Docket No. [DE 19-197](#)). There is also pressure on the distribution utilities to provide more advanced metering to enable the acquisition of locational and real-time usage data. Recently the Commission requested input on reactivating the electronic data interface (EDI) working group. Further, the legislature has directed the DOE to convene an advisory group on grid modernization in New Hampshire. The Commission is considering initiation of a docket during the first half of 2024 to determine appropriate next steps to advance grid modernization. In that docket, the Commission

would draw on the participants in these various groups to help develop implementation proposals for Commission consideration and approval.

Commission Investigation of Regulatory Issues

Pursuant to the Commission's investigatory authority under RSA 365:5, 365:6, 365:15, 365:19, 374:4, 374:7, and 374-F:4, X, the Commission undertook a number of investigations in order to educate the Commission and its advisors, as well as engage stakeholders in an open and collaborative process free of certain procedural constraints that exist in adjudicative dockets. The following investigations have concluded:

[IR 22-042](#): Investigation of Energy Efficiency Planning, Programming, and Evaluation

[IR 22-048](#): Investigation of Step Adjustment Methodology and Process

[IR 22-053](#): Investigation of Energy Commodity Procurement Renewable Portfolio Standard; Default Service Electric Power; Cost of Gas Methodology and Process

[IR 22-076](#): Investigation of Whether Current Tariffs and Programs are Sufficient to Support Demand Response and Electric Vehicle Charging Programs

Legislation

2022 LEGISLATIVE SESSION

HB 549 relative to the system benefits charge and the energy efficiency and sustainable energy board; effective January 1, 2022. This bill allowed the Commission to approve the participation of natural gas utilities in statewide energy efficiency programs, and it capped the energy efficiency portion of the system benefits charge (“SBC”) and local distribution adjustment charge (“LDAC”) at current levels with adjustments based on the changes in the consumer price index. In addition, it modified the duties of the Energy Efficiency and Sustainable Energy Board.

HB 1258 relative to the implementation of the department of energy and relative to the definition of “municipal host” for purposes of limited electrical energy producers; effective August 20, 2022. HB 1258 clarified the roles of the Commission and the New Hampshire Department of Energy concerning a number of statutes. In addition, it amended the definition of “municipal host” in RSA chapter 362-A to include the State of New Hampshire as a political subdivision.

SB 256 establishing a committee to study the feasibility of replacing the site evaluation committee; effective May 27, 2022. This bill established a legislative committee to study the feasibility of replacing the Site Evaluation Committee, which was required to report its findings and recommendations by October 15, 2022.

SB 262 relative to customer generators of electric energy; effective September 6, 2022. This bill allowed political subdivisions and hydroelectric generators to become group host customers and required electric distribution utilities to maintain hosting capacity maps on their websites, as of January 1, 2023. It also required the New Hampshire Department of Energy to investigate necessary changes to Puc 903.01(e) and report its findings to the relevant legislative committees.

SB 271 relative to the Burgess BioPower facility; effective June 24, 2022. SB 271 required the Commission to modify certain orders to extend the suspension of the operation of the cap on the cumulative reduction factor and authorized the New Hampshire Department of Energy to request, investigate, and audit financial records of the Burgess BioPower facility and its affiliates.

SB 321 relative to the purchase of output of limited electrical energy producers in intrastate commerce and including qualifying storage systems; effective June 17, 2022. SB 321 amended RSA chapter 362-A to allow the Commission to approve proposed pilot programs permitting limited producers to sell electrical energy to purchasers other than the franchise electric utility.

SB 424-FN relative to renewable energy and natural gas; effective June 24, 2022. SB 424-FN permitted gas utilities to recover costs relating to the procurement of renewable natural gas and investment in renewable natural gas infrastructure. It required the New Hampshire Department of Energy to study gas utilities’ renewable natural gas contracts and issue its findings to the Legislature.

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HB 139 relative to hydrogen energy and establishing a hydrogen advisory committee; section 4 effective November 1, 2030, remainder effective July 1, 2023. This bill established a hydrogen advisory committee in the New Hampshire Department of Energy, whose members include the Chair of the Site Evaluation Committee or designee.

HB 211 relative to a report by the department of energy on the effectiveness of the system benefits charge; effective October 3, 2023. HB 211 amended RSA 374-F, VIII(f) so that only the New Hampshire Department of Energy is required to submit a yearly report regarding the effectiveness of the system benefits charge.

HB 219-FN relative to certain public utilities statutes; section 4 effective May 17, 2023, remainder effective July 1, 2023. This bill established a legislative committee to examine whether certain laws in Title XXXIV, entitled “Public Utilities,” should be amended, recodified, or repealed.

HB 233-FN relative to useful thermal energy under the renewable portfolio standards; effective October 3, 2023. This bill amended provisions of RSA chapter 362-F to change the definition of “useful thermal energy” and to require such energy delivered from a source with a total gross nameplate heating capacity of its renewable energy certificate eligible units combined of 1,000,000 btu per hour or less to be verified by the New Hampshire Department of Energy.

HB 281 relative to least cost integrated resource plans of utilities; municipal hosts for purposes of limited electrical energy producers; the cost of compliance with disclosure of electric renewable portfolio standards; repealing the energy efficiency and sustainable energy board; and procedures for energy facility siting by the site evaluation committee; effective October 7, 2023. HB 281 repealed RSA 378:38-:40, so that electric and natural gas utilities are no longer required to file least cost integrated resource plans with the Commission. It also eliminated the Energy Efficiency and Sustainable Energy Board and made extensive changes to RSA chapter 162-H, the Site Evaluation Committee’s enabling statute.

HB 385 relative to the approval of community electric aggregation plans by the department of energy; effective June 20, 2023. This bill amended the procedure in RSA chapter 53-E for complaints related to community electric aggregation plans by shifting the responsibility for dealing with these complaints to the New Hampshire Department of Energy in the first instance.

HB 576-FN-L relative to administration of a commercial property assessed clean energy (C-PACE) program in a clean energy efficiency and clean energy district; effective August 19, 2023. HB 576-FN-L, effective August 19, 2023, amended RSA 53-F:3 to add new paragraph VII, stating that clean energy efficiency and clean energy districts shall include a “commercial property assessed clean energy (C-PACE) model.” It also amended RSA 53-F:8, regarding the liens for special assessments imposed under a clean energy efficiency and clean energy district program.

SB 16 establishing a stakeholders’ group to address utility poles and attachments in New Hampshire; section 2 effective July 1, 2029, remainder effective August 29, 2023. SB 16 established a stakeholders’ group, which includes the Commission Chair or designee, to address utility poles and attachments in New Hampshire.

SB 40 relative to participation in net energy metering by small hydroelectric generators; effective June 30, 2023. This bill repealed and re-enacted RSA 362-A:9, XX to allow the participation of qualified hydroelectric generators in net metering as customer-generators based the total peak generating capacity of each individual generating station.

SB 52-FN relative to the regulation and operation of electric vehicle charging stations; effective August 6, 2023. This bill amended sections of RSA chapter 236 regarding electric vehicle charging stations and established a legislative committee to study electric vehicle charging infrastructure.

SB 54-FN relative to purchased power agreements for electric distribution utilities; effective October 3, 2023. SB 54-FN established a procedure by which electric distribution utilities may obtain Commission approval of multi-year energy agreements for the purchase of energy from new electric energy sources or incremental electric energy sources that can be sold on the wholesale market.

SB 113-FN relative to the electric utility system benefits charge; effective September 26, 2023. SB 113-FN amended RSA 374-F:3, VI-a(d) to require that the New Hampshire Department of Energy determine and verify the 3-year average of the consumer price index used to determine annual adjustments to the energy efficiency portion of the system benefits charge and local distribution adjustment charge. It also amended this provision to ensure that an electric utility's planned electric system savings not fall below 65 percent of its overall planned **annual** energy savings.

SB 161 relative to low-moderate income community solar projects; sections 2 and 3 effective September 26, 2023, remainder effective July 28, 2023. This bill allowed solar projects by eligible public housing authorities or housing projects to qualify as "low-moderate income community solar projects" and requires the New Hampshire Department of Energy, by rule or order, to develop a process for designating community solar projects and to select a means for enrolling participating households.

SB 166-FN relative to electric grid modernization; effective October 7, 2023. SB 166-FN required the New Hampshire Department of Energy to establish a Grid Modernization Advisory Committee and made several statutory amendments concerning distributed energy resources, transactive energy, energy storage, and other matters. It also required the Office of Offshore Wind Industry Development to make additional recommendations in its report.

SB 225 establishing the commission to study the assessing of power generation; section 2 effective November 1, 2023; remainder effective August 4, 2023. This bill established a new commission to study the assessment of power generation assets, which was required to report its findings by November 1, 2023.

Public Utilities Commission Expenditures

CLASS DESCRIPTION	FY22 EXPENDITURES	FY23 EXPENDITURES
PERSONAL SERVICES PERM CLAS	\$461,752	\$347,540
PERSONAL SERVICES UNCLASSIF	\$479,733	\$896,763
OVERTIME	\$0	\$1,705
CURRENT EXPENSES	\$11,880	\$15,802
RENTS-LEASES OTHER THAN STA		\$1,639
ORGANIZATIONAL DUES	\$34,768	\$41,823
TRANSFERS TO DOIT	\$142,640	\$205,278
TRANSFERS TO GENERAL SERVIC	\$73,014	\$73,014
EQUIPMENT NEW REPLACEMENT	\$1,280	\$28,705
TELECOMMUNICATIONS	\$11,235	\$14,879
INDIRECT COSTS	\$19,025	\$32,598
ADDITIONAL FRINGE BENEFITS	\$2,389	\$0
CONSULTANTS	\$0	\$40,857
TRANSFER TO OTHER STATE AGE	\$41,579	\$118,531
PERSONAL SERVICE TEMP APPOI	\$95,927	\$100,716
BOOKS PERIODICALS SUBSCRIPT	\$0	\$9,500
BENEFITS	\$435,729	\$563,671
EMPLOYEE TRAINING	\$0	\$7,213
IN STATE TRAVEL REIMBURSEME	\$0	\$0
OUT OF STATE TRAVEL REIMB	\$2,974	\$13,424
TRANSFER TO DAS MAINT FUND	\$0	\$7,875
TOTAL EXPENSES	\$1,813,925	\$2,521,533



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