

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 18-171

NEW HAMPSHIRE TRANSMISSION, LLC

Petition of New Hampshire Transmission, LLC for Approval of Financing

Request for Extension

Order Approving Extension

ORDER NO. 26,432

December 17, 2020

In this order, the Commission authorizes New Hampshire Transmission, LLC, to extend the term of its loan agreement with NextEra Capital Holdings Inc., for a two-year period beginning on January 1, 2021, and to continue to issue long-term, secured debt instruments in an aggregate principal amount not to exceed \$59 million under the loan agreement.

I. PETITION

On November 5, 2020, 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), NHT's lender and indirect holding company.² The extension is for a two-year period beginning January 1, 2021. The Company intends to continue to issue long-term secured debt instruments in an aggregate principle amount not to exceed

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.

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.

\$59 million as previously approved in Order No. 26,204 (December 21, 2018). 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,³ including like-kind replacements of horizontal gas-insulated lines, circuit breakers, insulators, and other equipment, and to support other capital costs and operating expenses. Other costs and expenses include a potential financing associated with NHT's interconnection facilities to be paid by the Seabrook Nuclear Generating Station. The two-year extension would only be effective after approval of the Commission and the Federal Energy Regulatory 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.

The November 5, 2020, 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/2018/18-171>.

II. STAFF'S POSITION

Commission Staff (Staff) filed its recommendation on December 4, 2020. Based on its review, Staff recommended that the Commission approve the November 5, 2020, Petition and grant a two-year extension of the loan period, commencing January 1, 2021. Staff said that based on its review of the Company's filing, including 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. Staff 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. In

³ Seabrook Substation is a 345-kV pool transmission facility operated as part of the regional bulk power system by ISO New England (ISO-NE). Seabrook Substation interconnects the Seabrook Nuclear Generating Station with three major 345 kV transmission lines that are part of the ISO-NE transmission network.

Staff's view, the proposed use of the proceeds from the financing continue to be in the public good, as stated in Order 26,204. Staff agrees that certain Form F-4 documentation is inapplicable for the reason stated by the Company.

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. NHT represented that the repair of aging infrastructure at Seabrook Substation is important, because the substation is a key

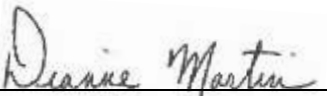
component of the regional transmission network as it interconnects the Seabrook Nuclear Generating Station, the largest single electric generation resource in New England, with three major 345 kV transmission lines. NHT represented that the transformer and interconnection facilities associated with the Seabrook Substation are essential to the reliable operation of the ISO-NE transmission network. Accordingly, we find NHT’s intended use of the proceeds from the financing, and the financing itself, including the extension for two years to begin January 1, 2021, 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.

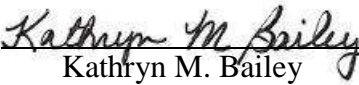
Based upon the foregoing, it is hereby

ORDERED, that New Hampshire Transmission, LLC’s financing request, as filed in the November 5, 2020, petition is hereby approved.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of December, 2020.




 Dianne Martin
 Chairwoman



 Kathryn M. Bailey
 Commissioner

Attested by:



 Debra A. Howland
 Executive Director

Service List - Docket Related

Docket#: 18-171

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