

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 09-038

NEW HAMPSHIRE GAS CORPORATION

Petition for Permanent and Temporary Rate Increases

**Order Suspending Tariffs and
Scheduling Prehearing Conference & Temporary Rate Hearing**

O R D E R N O. 24,955

April 2, 2009

On April 1, 2009, New Hampshire Gas Corporation (NHGC or Company) made a distribution rate filing requesting permission to: (1) implement new permanent distribution rates for propane air service; (2) implement temporary distribution rates, pursuant to RSA 378:27 and its petition, effective on and after May 1, 2009; (3) replace current tariff pages with the proposed tariff pages included in the filing; and (4) mitigate the annual impact of the proposed increase by being allowed to implement the rate increase incrementally. The Company also seeks a waiver of certain provisions of N.H. Code Admin. Rules Puc 1604.01(a)(2), (7), (10), (12), (13), (15), (23)-(25), and (27), requiring the filing of certain information by a public utility applying for rate relief. NHGC also seeks a waiver of Puc 1203.02(c) which requires a utility to send each of its affected customers a statement of the rate schedules applied for within 30 days of the filing.

NHGC proposes permanent distribution rates that are designed to produce an increase of \$423,806 in annual revenues, representing a 42 percent increase in distribution revenues compared to present distribution rates. As a result of significantly lower commodity rates during the test year, the overall rate impact (proposed distribution rates and current commodity rate) on residential and commercial customers is a decrease of 24 and 34 percent, respectively.

In its petition, NHGC requests that the Commission, pursuant to RSA 378:27, grant temporary distribution rates designed to produce a temporary increase of \$69,995 in annual revenues. Pursuant to a settlement agreement in DG 02-003, NHGC has been collecting additional revenue in approximately the same amount as the proposed temporary rate increase. Collection of the deferred revenue surcharge under the settlement will end on April 30, 2009. *See New Hampshire Gas Corp.*, Order No. 24,102 (December 23, 2002). As a result, customers would not see any significant rate change if proposed temporary rates went into effect on May 1, 2009, and total Company revenues would remain unchanged. The Company requests that the temporary rates be effective May 1, 2009 on a service-rendered basis in accordance with the rate design proposal set forth in its temporary rate filing. In support of its petition, NHGC asserts that it earned less than a 1 percent rate of return for the 12-month test year period ended December 31, 2008.

As noted, in its petition, NHGC moves for a waiver of certain portions of Puc 1604.01(a), and 1203.02(c), which require the filing of certain information by any utility applying for rate relief. NHGC asserts that complying with the filing requirements would be unnecessarily burdensome, and would result in unnecessary added rate case expense. NHGC believes that a waiver of Puc 1203.02(c) is appropriate because the intent of the rule, sufficient notice to customers of the proposed rate increase, can be achieved through display ads in local newspapers, and publication of the order of notice. The Staff, the Company and intervenors should be prepared to address the Company's motion at the prehearing conference and temporary rate hearing.

RSA 378:6 provides that pending any investigation of a rate schedule which represents a general rate increase, the Commission may suspend the taking effect of such tariff filing for up to 12 months in order to investigate whether the proposed rates are just, reasonable and otherwise consistent with applicable law. We determine that such suspension and investigation are necessary under RSA 378:6.

The filing raises, *inter alia*, issues related to whether the proposed permanent rates are just, reasonable and lawful pursuant to RSA 378:7; whether the proposed rates yield a reasonable return on the cost of NHGC's property that is prudent as well as used and useful in the public service pursuant to RSA 378:27 and :28; whether the rate design proposed by NHGC is fair and equitable; and whether temporary rates on the terms proposed by NHGC are appropriate, and if so, how any recoupment or refund, if appropriate, should be implemented.

Based upon the foregoing, it is hereby

ORDERED, that the proposed tariff pages for propane air distribution service filed by NHGC be, and they hereby are, suspended pursuant to RSA 378:6, I(a) pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that a prehearing conference, pursuant to N.H. Admin. Rules Puc 203.15, and a temporary rate hearing be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on April 21, 2009 at 2:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition for permanent rates and address any of the noticed issues, including the matter of temporary rates; and it is

FURTHER ORDERED, that, immediately following the prehearing conference and temporary rate hearing, the Staff of the Commission, the Company, and any intervenors hold a

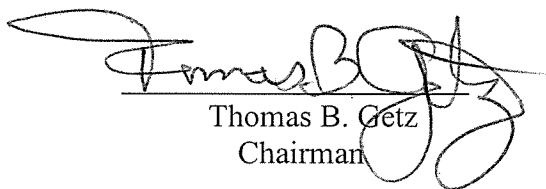
technical session to review the filing and allow NHGC to provide any amendments or updates to its filing and establish a proposed procedural schedule for this proceeding; and it is


FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, NHGC shall notify all persons desiring to be heard at this prehearing conference and temporary rate hearing by publishing a copy of this Order of Notice no later than April 7, 2009 in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before April 21, 2009; and it is

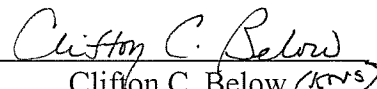
FURTHER ORDERED, that pursuant to N.H. Admin Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a petition to intervene with copies sent to the Company and the Office of the Consumer Advocate on or before April 16, 2009, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin Rule Puc 203.17 and RSA 541-A:32, I(b); and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make such objection on or before April 21, 2009.

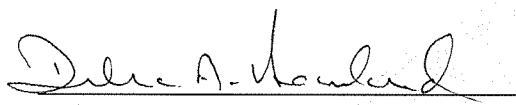
By order of the Public Utilities Commission of New Hampshire this second day of April,
2009.

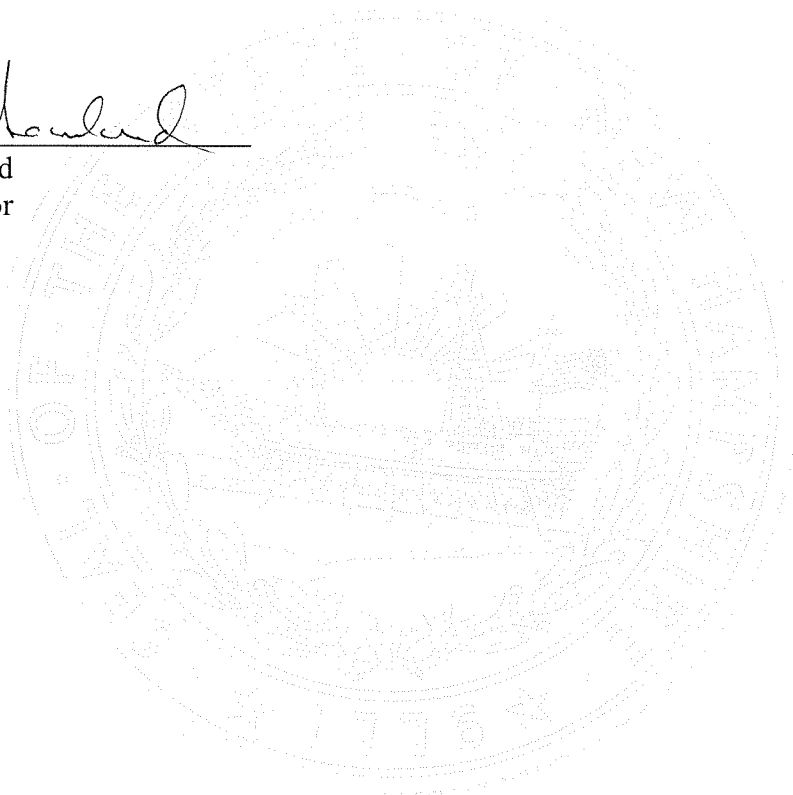

Thomas B. Getz
Chairman


Graham J. Morrison (KNS)
Commissioner


Clifton C. Below (KNS)
Commissioner

Attested by:


Debra A. Howland
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04/02/09 Order No. 24,955 issued and forwarded to all parties.
Copies given to PUC Staff.

Docket #: 09-038 Printed: April 02, 2009

FILING INSTRUCTIONS: **PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),**
WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:
DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
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CONCORD NH 03301-2429