

1                                   **STATE OF NEW HAMPSHIRE**  
2                                   **PUBLIC UTILITIES COMMISSION**

3  
4   **April 9, 2019** - 2:05 p.m.  
5   Concord, New Hampshire

NHPUC 23APR'19 9:25

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7           **RE: DG 17-070**  
8           **NORTHERN UTILITIES, INC.:**  
9           **Request for Change in Rates.**  
10           **(Hearing regarding a step adjustment)**

11           **PRESENT:**   Chairman Martin P. Honigberg, Presiding  
12                           Commissioner Kathryn M. Bailey  
13                           Commissioner Michael S. Giaimo

14                           Sandy Deno, Clerk

15  
16           **APPEARANCES:**   **Reptg. Northern Utilities, Inc.:**  
17                           Gary Epler, Esq.

18                           **Reptg. Residential Ratepayers:**  
19                           Brian D. Buckley, Esq.  
20                           Office of Consumer Advocate

21                           **Reptg. PUC Staff:**  
22                           Paul B. Dexter, Esq.  
23                           Stephen Frink, Dir./Gas & Water Div.

24                           Court Reporter:   Steven E. Patnaude, LCR No. 52

**CERTIFIED  
ORIGINAL TRANSCRIPT**

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**P R O C E E D I N G**

CHAIRMAN HONIGBERG: We are here this afternoon in Docket DG 17-070, which is a step adjustment for Northern Utilities. I think we're scheduled for a hearing on the merits. That may be changing.

Before we do anything else, let's take appearances.

MR. EPLER: Good afternoon, Mr. Chairman, Commissioners. Gary Epler, attorney for Northern Utilities, Inc. Thank you.

MR. BUCKLEY: Good afternoon, Mr. Chairman and Commissioners. My name is Brian D. Buckley, staff attorney with the New Hampshire Office of the Consumer Advocate, here representing the interests of residential ratepayers.

MR. DEXTER: Good afternoon. Paul Dexter, appearing on behalf of Commission Staff. I'm joined by Steve Frink, Director of the Gas and Water Division.

CHAIRMAN HONIGBERG: What's up, Mr. Dexter?

MR. DEXTER: We were scheduled for a

1 hearing on the merits, as you correctly pointed  
2 out. There was a Supplemental Order of Notice  
3 issued earlier in the case. I don't see any  
4 other intervenors. So, I think this is it.

5 The Company filed for their step  
6 adjustment on February 27th seeking an increase  
7 of \$1,431,000. And the filing contained some  
8 schedules about plant additions, but, in  
9 Staff's view, there wasn't enough information  
10 in the filing to review it, particularly in  
11 light of the Commission's order last year in  
12 the Liberty Utilities's step adjustment,  
13 requiring that they provide sufficient  
14 information to demonstrate that plant  
15 investments were in service and used and useful  
16 in the case of step adjustments.

17 Staff requested that Northern file  
18 testimony, which they did on March 25th. And  
19 in reviewing the testimony, Staff saw that  
20 there were some significant budget variances  
21 between the five largest projects that Northern  
22 laid out in the testimony. And so, Staff  
23 issued some data requests to pursue the reasons  
24 for the budget variances.

1           In addition, the Commission's Audit  
2           Division has conducted an audit of the step  
3           increase, and just issued their Final Audit  
4           Report about an hour ago. Data requests were  
5           issued by Staff, and responses are pending.  
6           Those are going to be filed today or tomorrow.

7           And given the state of Staff's  
8           investigation, we're going to request today  
9           that, rather than hold a hearing, that the  
10          parties engage in a technical session, to go  
11          over the data responses that are being filed,  
12          the Audit Report, and explore some of the  
13          issues that Staff has identified.

14          We would request that we take up this  
15          hearing on April 17th, at 1:30, and hold a  
16          hearing that afternoon. And if there are  
17          issues to be resolved by the Commission, we  
18          will bring them before you at that time.

19                 CHAIRMAN HONIGBERG: Am I correct in  
20                 assuming you're speaking for Mr. Epler and  
21                 Mr. Buckley?

22                 MR. DEXTER: I believe I am. But  
23                 they are here, and --

24                 CHAIRMAN HONIGBERG: I see nodding

1 heads. That's always a good sign.

2 All right. So, I was aware that you  
3 had reserved a time or time was being held on  
4 the 17th. And also on, I think, the 22nd, am I  
5 right about that?

6 MR. DEXTER: I had originally looked  
7 for some hearing time. The 22nd was available,  
8 it was a two-hour slot. When the 17th became  
9 available, I reserved that. I don't think we  
10 would need both.

11 CHAIRMAN HONIGBERG: Okay.

12 MR. DEXTER: I don't think we'd need  
13 both.

14 CHAIRMAN HONIGBERG: All right.

15 MR. DEXTER: And I preferred the  
16 17th, because it was a longer window, a longer  
17 hearing time, it allows for the afternoon, and  
18 it gives you more time to issue a decision.  
19 The rates are proposed for effect on May 1st.

20 CHAIRMAN HONIGBERG: Okay. If  
21 there's nothing else, then I guess we will  
22 leave you to your technical session, and see  
23 you back here on the 17th.

24 MR. DEXTER: Okay. Very good.

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MR. EPLER: Thanks a lot.

*(Whereupon the hearing was  
adjourned at 2:09 p.m., and a  
technical session was held  
thereafter.)*