

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

Request for Change in Rates

Order Suspending Tariffs

ORDER NO. 26,818

May 12, 2023

In this order the Commission suspends Aquarion's two proposed tariffs for reconciling temporary rates to permanent rates and for rate case expenses. The suspension is for six months until September 1, 2023 pending Commission investigation of the proposed rates.

I. PROCEDURAL HISTORY

On March 31, 2023, Aquarion Water Company of New Hampshire, Inc. (Aquarion) filed a request to recover rate recoupment costs for the reconciliation of permanent rates to temporary rates from February 1, 2021 forward. The proposed rate recoupment surcharge would be collected over a twelve-month period. On the same date Aquarion filed a request to recover rate case expenses through a surcharge to be collected over a twelve-month period. Both filings contained proposed tariffs with effective dates of May 1, 2023.

On April 10, 2023 the New Hampshire Department of Energy (DOE) filed a letter indicating that it would make recommendations to the Commission concerning the two proposed surcharges on or before July 14, 2023.

II. POSITIONS OF THE PARTIES

A. Aquarion

1. Rate Recoupment Adder

The settlement agreement on permanent rates in this docket (Settlement) approved by the Commission in Order No. 26,569 (July 29, 2022) authorized Aquarion to keep temporary rates in place until the step adjustment and permanent rates were implemented. Both permanent rates and the step adjustment were to be effective on the same date. The Commission approved a surcharge to be recovered from all customers over 12 months to account for any disparity in collected revenues between temporary and permanent rates from February 1, 2021 until date on which the step adjustment and permanent rates were effective. Settlement at 51-52.

Because the step adjustment did not take effect until March 1, 2023, Aquarion conducted a second calculation to recover the portion of step adjustment revenue that would otherwise be lost due to the eight months following the effective date of permanent rates that it took to approve and implement the step adjustment. This revenue calculation is also included in the Rate Recoupment Adder. Aquarion claims that reconciling step adjustment revenues for the additional eight months is consistent with the Settlement's goal of having permanent rates and the step adjustment implemented on the same date.

According to Aquarion, this does not conflict with the Settlement's requirement that the temporary-to-permanent rate recoupment would only apply to the permanent rate revenue requirement decrease, which will result in a credit to customers, and not to the Step I increase. Aquarion states that the step adjustment calculation was only applied from the date that permanent rates became effective on July 29, 2022, the date of Order No. 26,569. The proposed Rate Recoupment Adder allows for the

collection of a total \$151,481 over a twelve-month period from May 1, 2023, through April 30, 2024.

2. Rate Case Expense Adder

The Settlement, in Section 9.1 states that “[s]ubject to review and adjustment for the difference between estimated and actual expense by the DOE and other Settling Parties, Aquarion shall recover over one year \$428,675 in estimated rate case expenses to be filed within 30 days of the Commission’s order approving the Settlement.” Settlement at 52. However, the Settlement kept temporary rates in place until the step adjustment to permanent rates was approved, making the implementation of permanent rates contingent upon the approval and implementation of the step adjustment, and keeping the matter open.

At the time the settlement agreement was drafted the parties intended for permanent rates and the step adjustment to be implemented at or around the same time, so making the rate case expense filing 30 days after the order approving the Settlement would have been consistent with the simultaneous implementation of permanent rates and the step. The matter of the step remained open until the parties submitted the stipulation recommending approval of the step on March 9, 2023.

Aquarion filed its rate case expense request within 30 days of the Commission’s order approving the step adjustment. *See* Order No. 26,771. The final expense amount for rate case costs is \$408,223.18, which is \$20,451.82 less than the estimated costs to contained in the Settlement. To recover these expenses equally from all customers over a period of twelve months, Aquarion proposes a surcharge of \$3.51 per customer per month, using a February 28, 2023 customer count of 9,686.

III. COMMISSION ANALYSIS

The Commission may suspend the proposed tariff pages pending investigation pursuant to RSA 378:6, I(b)

Except as provided in RSA 378:6, IV, for all other schedules filed with the commission, the commission may, by an order served upon the public utility affected, suspend the taking effect of said schedule and forbid the demanding or collecting of rates, fares, charges or prices covered by the schedule for such period or periods, not to exceed 3 months from the date of the order of suspension, but if the investigation cannot be concluded within a period of 3 months, the commission in its discretion and with reasonable explanation may extend the time of suspension for 5 additional months.


Given the time required for the DOE analysis and recommendation as well as the Commission's investigation of these two proposed tariffs, the tariffs are suspended for six months until September 1, 2023.

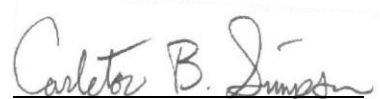
Based upon the foregoing, it is hereby

ORDERED, that Aquarion's tariff providing for a rate recoupment adder is suspended until September 1, 2023; and it is

FURTHER ORDERED, that Aquarion's tariff providing for a rate case expenses surcharge is suspended until September 1, 2023.

By order of the Public Utilities Commission of New Hampshire this twelfth day of May, 2023.


Daniel C. Goldner
Chairman


Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 20-184

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