

**BEFORE THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 22-020

NORTHERN UTILITIES, INC.

Petition for Approval of Step Adjustment

**New Hampshire Department of Energy
Objection to Northern Utilities, Inc. Motion to Accept and Approve the Compliance Tariff
Without a Hearing and Request for a Hearing Pursuant to RSA 378:7**

The Department of Energy (“Department”) pursuant to New Hampshire Code Admin. Rules Puc 203.07, hereby objects to Northern Utilities, Inc.’s (“Northern”) Motion to Accept and Approve the Compliance Tariff Without a Hearing and Opportunity to Review. The Department also requests that the Public Utilities Commission (“PUC” or “Commission”) Schedule a Hearing on this tariff pursuant to RSA 378:7.

In support of this Objection, the Department states as follows:

1. On April 1, 2022, Northern submitted a step adjustment petition, in connection with calendar year 2021 capital investments as agreed to in the Settlement Agreement approved by Order No. 26,650 in Docket No. DG 21-104 at 6 (July 20, 2022). As part of the Settlement Agreement, the parties agreed that “the Company may recover revenues associated with the full Rate Year (August 1, 2022-July 31, 2023) over the eleven-month period beginning September 1, 2022 and ending July 31, 2023. Beginning August 1, 2023, distribution rates shall be adjusted going forward to reflect a 12-month recovery of the Step Adjustment.” DG 21-104, *Northern Utilities, Inc.*, Settlement Agreement at § 5.2 (May 27, 2022). The parties also agreed that “[t]he amount of the Step Adjustments shall

- be subject to review by the DOE and the OCA, and subject to approval by the Commission, following the filing required by paragraph 5.2.” *Id.* at § 5.4.
2. On August 25, 2022, the PUC held a hearing regarding Northern’s Petition for a Step Adjustment. At the hearing the Department recommended approval of the rates for September 1, 2022, but not approval for any rates effective August 1, 2023. Transcript at p.112 (August 25, 2022).
 3. At this hearing, Northern advocated that it would file a compliance filing with the PUC effective August 1, 2023 decreasing the monthly rates to reflect that the charges would be collected over twelve (12) instead of eleven (11) months as was previously agreed for the time period August 1, 2022-July 31, 2023. Transcript at 35-36 and 108-111 (August 25, 2022). The Department argued at the hearing that the PUC should schedule a hearing to review the distribution rates effective August 1, 2023. Transcript 112 (August 25, 2022).
 4. On August 31, 2022 the PUC issued an Order approving a step increase in Northern’s distribution rates effective September 1, 2022, associated with investments placed in service 2021. The PUC ordered “that Northern is authorized to implement the rates . . . effective September 1, 2022, with an eleven (11)-month rate initial recovery period through July 31, 2023.” DG 22-020, *Northern Utilities, Inc.*, Order No. 26,675 at 4 (August 31, 2022). The PUC did not specify any process for reviewing for an adjustment to rates effective August 1, 2023. The PUC wrote (quoting its prior order approving the Settlement Agreement) that “step increase revenues will be recovered on an August 1 through July 31 annual basis, and adjusted accordingly.” *Id.*

5. On May 9, 2023 the PUC granted Northern's Motion to reopen Docket No. DG 22-020 for the limited purpose of accepting and reviewing the tariff filing, but did not specify whether it would be scheduling a hearing on said tariff filing.
6. The Department respectfully objects to Northern's Motion to Re-open Docket and Accept Compliance Filing for two reasons: First, Northern has presented rates effective August 1, 2023 as "in compliance" with a prior Commission order, but there is no Commission order approving these rates. Last year, the Commission approved the step adjustment rates (which were based on an 11-month recovery period) but did not specify what rates would be implemented effective August 1, 2023 to move to a 12-month recovery period. Developing and analyzing the 12-month rates should be the focus of this phase of this proceeding. A compliance filing is only appropriate when there has been a commission directive, which is not the case here.
7. Second, state statute RSA 378:7 allows the Commission to fix just and reasonable rates after a hearing, upon motion of the Commission or the Department of Energy. The Department requests a hearing before the PUC approves the proposed tariff. By submitting a compliance filing Northern is proposing to adjust rates without a hearing or any opportunity to review the proposed rates to determine if the rates are just and reasonable.

WHEREFORE, the Department respectfully requests that the Commission schedule a hearing on Northern's proposed rates and to act on the proposal only after such hearing has concluded.

Respectfully submitted,

New Hampshire Department of Energy

By its Attorney,

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Date: May 15, 2023