

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

IR 22-048

ELECTRIC, GAS AND WATER UTILITIES

Investigation of Step Adjustment Methodology and Process

Procedural Order Re: Technical Session and Record Requests

The Commission requests that the electric and gas utilities that are parties to this docket respond to the following record requests on or before the close of business on April 20, 2023. (The Commission exempts the Class “A” water utilities from these requests). In addition, the Commission schedules a technical session to be attended by the parties to this docket and Commission staff for May 9, 2023, from 9:00 a.m. to 12:00 p.m., to discuss the responses to the record requests contained in this procedural order. The Class “A” water utilities may attend the technical session at their own election, but their attendance is not required.

I. Record Request 1

- A. From the perspective of each participant, what were the historical contexts and justifications for the introduction of step adjustments?
- B. Given the resources and time required to review and adjudicate step adjustment and full distribution rate cases, do the participants have thoughts or suggestions regarding how to most effectively utilize utility and regulatory resources?
- C. Do the participants have recommended timeframes or methodologies for formulating step adjustment petitions?

II. Record Request 2

What feedback do the participants have on changes such as multi-year rate plans, or other solutions that could reduce or eliminate the need for annual step adjustments or decrease the frequency of rate filings?

III. Record Request 3

Why are regular rate cases (on a rationally paced basis) not sufficient to always cover non-emergency utility capital investments, made pursuant to a utility's long-term capital plan?

IV. Record Request 4

What factors should be considered when evaluating the relationship between a step increase program and a company's LCIRP planning process?

V. Record Request 5

Please provide the following information (in Excel format) for all rate cases in New Hampshire since 2000:

- A. Total rate base
- B. Total revenue requirement
 - 1. Total return on rate base
 - 2. Total expenses
- C. Gross Rate base increase in each step adjustment
- D. Net Rate base increase in each step adjustment
- E. Revenue requirements increase in each step adjustment and basis of the calculations (ROR, net or gross rate base, etc.)
- F. Indicate if LRAM, Decoupling, or any similar rate mechanism/adjustments were implemented
- G. Any other adjustments in revenue requirements (e.g. trackers - rate base increase, cost increase, etc.) between two rate cases. Provide details of any such changes for each year.

VI. Record Request 6

Please provide the following information (in Excel format) for the most recent rate cases in other jurisdictions in which the company's affiliates operate, as applicable:

- A. Total rate base
- B. Total revenue requirement
 - 1. Total return on rate base
 - 2. Total expenses

- C. Gross Rate base increase in each step adjustment
- D. Net Rate base increase in each step adjustment
- E. Revenue requirements increase in each step adjustment and basis of the calculations (ROR, net or gross rate base, etc.)
- F. Indicate if LRAM, Decoupling, or any similar rate mechanism/adjustments were implemented
- G. Any other adjustments in revenue requirements (e.g. trackers - rate base increase, cost increase, etc.) between two rate cases. Provide details of any such changes for each year.

VII. Record Request 7

Please provide the Excel version of the models used to currently calculate step adjustments in New Hampshire.

- A. Provide explanations with the theoretical basis of inclusion for each component/item, and how it is calculated or treated in the model.
- B. If any of those components are part of a settlement,
 - 1. please explain why it is reasonable to include it in the model
 - 2. please explain how it is treated in the model and why.
- C. If the company's affiliates used different models in different rate cases (gas, electric, etc.), please explain the differences.

VIII. Record Request 8

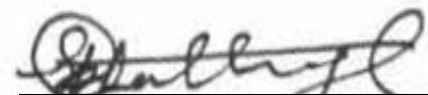
Please provide the Excel version of the models used to currently calculate approved step adjustments in other jurisdictions in which the company's affiliates operate, as applicable.

- A. Provide explanations with the theoretical basis of inclusion for each component/item, and how it is calculated or treated in the model
- B. If any of those components are part of a settlement,
 - 1. please explain why it is reasonable to include it in the model
 - 2. please explain how it is treated in the model and why.

So ordered, this twenty-first day of March, 2023.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 22-048

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