

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DW 22-058

Bedford Waste Services Corporation

Limited Step II Rate Case Expense Recovery

Technical Statement of Robyn J. Descoteau, Utility Analyst, Water Group
New Hampshire Department of Energy, Division of Regulatory Support

May 21, 2024

Pursuant to RSA 12-P:2, IV, please accept this Technical Statement as the New Hampshire Department of Energy's (DOE) recommendation to the New Hampshire Public Utilities Commission (Commission) in the above-referenced docket. The DOE has reviewed Bedford Waste Services Corporation's (Bedford, Company) April 26, 2024 filing as it pertains to the recovery of Bedford's Limited Step II rate case expenses.

Brief History of Bedford's Request

On October 17, 2022, Bedford petitioned the Commission for authority to implement new permanent rates for sewer services.

On June 28, 2023, the Settlement Agreement on Permanent Rates was submitted. The Settlement Agreement discusses Step II on pages 11-12. Of particular importance to the instant filing, Section 4.5.2.6, page 12, states: "The Settling Parties agree that Bedford should be entitled to recovery of its reasonable and prudently incurred expenses related to the filing and adjudication of the Limited Step 2 via a separate customer surcharge; such expenses to be filed within thirty days of Commission approval of the Limited Step 2 surcharge."

On September 12, 2023, the Commission issued Order No. 26,884 approving the Settlement Agreement.

On December 14, 2023, Commission Order No. 26,912 authorized Bedford to recover rate case expenses related to the filing and adjudication of permanent rates. Total expenses of \$47,864 were authorized to be recovered through a quarterly surcharge of \$51.14 per customer to be charged over 12 quarters.

Bedford's Step II adjustment was approved with an effective date of April 6, 2024. See Commission Order No. 26,956 (March 7, 2024).

On April 26, 2024, twenty days following the Commission’s approval of the Limited Step II adjustment, Bedford submitted a filing which proposed implementation of surcharges for the recovery of its expenses related to the filing and approval of the Step II rate adjustment. The Company requested recovery of rate case expenses totaling \$3,254.89 through a one-time surcharge of \$41.73, based on a customer count of 78. Bedford proposed to collect the Step II expense surcharge after the conclusion of its rate case expense recovery approved in Commission Order No. 26,912 (December 14, 2023).¹ The filing contained documentation in support of expenses incurred pertaining to its Step II rate filing and a calculation of its proposed rate surcharge. Bedford also provided a proposed procedural schedule for the adjudication of its Step II expenses, ultimately resulting in a DOE recommendation by June 6, 2024.

On April 30, 2024, the DOE filed a letter with the Commission assenting to the procedural schedule proposed by Bedford.

On May 1, 2024, the Commission issued a procedural order approving the proposed procedural schedule.

DOE Analysis and Recommendation

The DOE reviewed Bedford’s Step II rate expense filing by testing all calculations and examining the supporting documentation contained therein. The DOE issued no data requests to Bedford.

Based on its review of Bedford’s supporting documentation, the DOE recommends a \$141.75 reduction in Bedford’s proposed Step II rate expenses relative to estimated costs for the potential review of and response to DOE data requests. However, those costs were not incurred during the course of the DOE’s examination.² As a result, the revised expense total is \$3,113.14 to be collected from 78 customers for a revised surcharge of \$39.91 per customer, a reduction of \$1.82 per customer.³ The charge in question was discussed with Bedford through e-mail communication on May 13-14, 2024. The Company assents to removing this charge from its Step II rate expense filing and the resulting surcharge adjustment. *See Attachment A.*

Therefore, the DOE recommends the Commission approve Bedford’s recovery of Step II rate expenses of \$3,113.14 (\$3,254.89 – 141.75) or \$39.91 per customer based on a customer count of 78. Given that the Step II rate expense per customer of \$39.91 is less than that authorized for the recovery of the permanent rate expenses of \$51.14 per customer per quarter over 12 quarters, the DOE believes that recovery of Step II expenses over a one quarter recovery period following the conclusion of its recovery of permanent rate case expenses, as originally proposed by Bedford, would be just and reasonable.

¹ The DOE anticipates that the Step II rate expense surcharge will be billed approximately during the second billing quarter of 2027.

² Stephen P. St. Cyr and Associates estimated one hour of time to review DOE Data Requests and draft responses on May 1, 2024 (page 5 of the Proposed Surcharge and Expense Attachment). The DOE did not propound Data Requests resulting in the removal of the \$141.75 estimated expense.

³ Step II rate case expenses filed April 26, 2024: $\$3,254.89 \div 78 \text{ customers} = \41.73 per customer. Rate case expenses following the deduction of \$141.75: $\$3,254.89 - 141.75 = \$3,113.14 \div 78 \text{ customers} = \39.91 .

Summary

Based upon its review of the information presented by Bedford in its filing and follow-up communications with the Company, the DOE believes that Bedford has demonstrated that its proposed Step II rate expenses, as revised, of \$3,113.14, are appropriate and that the resulting proposed rate case expense surcharge of \$39.91 per customer through a one quarter surcharge following the conclusion of rate case expense recovery approved by Commission Order No. 26,912, is consistent with the Commission's rules and the settlement agreement approved by Commission Order No. 26,884 and will result in just and reasonable rates.

Bedford assents to the DOE's Analysis and Recommendation. To the extent possible, Bedford encourages the PUC to review and approve the DOE Analysis and Recommendation by no later than May 31, 2024, so that Bedford can communicate the PUC's decision with its July 1, 2024 billing to customers.

In conclusion, the DOE recommends that the Commission approve Bedford's filing by the issuance of an Order *nisi* to ensure that all interested parties receive notice and have opportunity to comment or request a hearing before the order becomes effective.

With the filing of this technical statement and attachments, the DOE believes a complete record has been provided in this matter for consideration by the Commission, pursuant to the DOE's purpose under RSA 12-P:2, IV.

Attachment A: E-mail correspondence dated May 13/14, 2024 between the DOE and Stephen P. St. Cyr and Associates.

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