

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 24-103

NORTHERN UTILITIES, INC.

**Petition for Approval of Revenue Decoupling Adjustment Factor and Waiver of
Revenue Decoupling Adjustment Cap**

Procedural Order Re: Department of Energy’s Motion for Logistic Relief

On October 15, 2024, the Department of Energy (DOE) filed a motion objecting to the waiver of the revenue decoupling adjustment cap (RDA Cap) and requesting an additional 90 days to review the Petition prior to hearing on the merits. The DOE proposes cancelling the October 29, 2024 hearing and calculating rates for effect November 1, 2024 to include a provisional Revenue Decoupling Adjustment (RDA), calculated with the 4.25 RDA Cap over a 12-month recovery period consistent with the settlement agreement established by the parties in Docket DG 21-104. As a basis for this request, the DOE asserts that the waiver of the RDA cap is a material change to a term of the settlement in docket DG 21-104 that requires additional time for discovery and analysis. *See* DOE October 15, 2024 motion at ¶17.

On October 18, 2024, Northern Utilities, Inc. (Northern or the Company) filed an objection to the DOE’s October 15, 2024 motion. Northern asserts that its petition does not impose complicated calculations that require additional time to review. The Company notes that the Revenue Decoupling Adjustment Factor (“RDAF”) provides for an adjustment to distribution rates by comparing actual and allowed revenues based on a Revenue Per Customer (“RPC”) approach. The calculations completed by the Company are the same calculations that have been used by the Company in prior dockets and reviewed

by the DOE. *See* October 18, 2024 Objection at ¶2. The difference in this docket concerns the question of what to do with the remaining balance after implementing the RDAF.

The Company asserts that its proposal to waive the RDA Cap benefits the ratepayer by reducing \$652,400 in carrying charges that would result from applying a capped twelve-month RDAF based on the prime interest rate at the time of the Company's initial filing of 8.50 percent. *See Id* at ¶ 9. The Company argues that its proposed change does not harm the DG 21-104 settling parties because the costs at issue were always contemplated to be recaptured by the Company, the proposed waiver of the cap would simply allow the company to begin recapturing those costs now verses in the company's next rate case. *See Id* at ¶ 17. If the Commission is inclined to grant the DOE's request to cancel the hearing, the Company requested that the hearing be rescheduled in 45 days, not 90 days noting that it is unclear what the additional time would allow for since the Department clearly understands the proposal, but simply disagrees with the terms. *See Id* at ¶20.

Having reviewed the motion and the objection, the Commission finds that the issue involving the waiver of the RDA cap requires a supplemental order of notice to include notice of RSA 365:28. The RDA cap is a material term of the settlement and therefore, before it can be amended in this docket, notice of the potential amendment must be provided to all the settling parties of Docket DG 21-104.

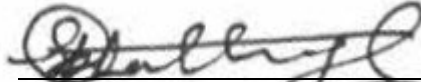
The hearing scheduled for October 29, 2024 is hereby cancelled. The Commission expects to issue a provisional order granting Northern's requested Peak RDAF rates, in advance of, and for implementation on, November 1, 2024, in this proceeding, consistent with the RDA cap that will be subject to future reconciliation based on the parties', and the Commission's, review. The Commission will issue a supplemental order of notice to include RSA 365:28 and schedule a single final review hearing for this matter in

early December of 2024 (The waiver of the RDA cap and the Off-Peak RDAF rates proposed to be implemented as of May 1, 2025 by Northern will be addressed by the Commission as part of this final review hearing). The Company will be required to provide notice of the December hearing to the settling parties of docket DG 21-104.

So ordered, this twenty-third day of October, 2024.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner

Service List - Docket Related

Docket#: 24-103

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