

DG 02-003

NEW HAMPSHIRE GAS CORPORATION, INC.

Petition for Rate Change

Order Approving Procedural Schedule

O R D E R N O. 23,988

June 7, 2002

APPEARANCES: Ransmeier & Spellman, P.A., by Dom S. D'Ambruoso, Esq. on behalf of New Hampshire Gas Corporation; and Marcia A. B. Thunberg, Esq. on behalf of the Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY AND BACKGROUND

New Hampshire Gas Corporation (NHGC or Petitioner) filed with the New Hampshire Public Utilities Commission (Commission), on January 7, 2002, a Notice of Intent to file rate schedules. The Petitioner, a public utility engaged in the business of distributing propane-air, serves approximately 1,000 customers in Keene, New Hampshire. On February 26, 2002, NHGC requested an extension of time to file its rate filing. The Commission granted this request on March 26, 2002. On April 8, 2002, NHGC filed a petition for an increase in permanent rates of 19%, designed to increase annual revenues by \$288,887. The Petitioner requested that it be allowed to implement the rate increase incrementally, with an initial rate increase of 13 percent designed to increasing annual revenues by \$187,777, and succeeding increases, up to the approved amount, allowable at any time over the next three years with 30 days notice.

On May 3, 2002, the Commission issued an Order Scheduling Prehearing Conference and Temporary Rate Hearing and Suspending Proposed Tariffs (Order No. 23,965) setting a prehearing conference for May 28, 2002. The Order also directed parties to meet for a technical session following the prehearing conference to develop a proposed procedural schedule. On May 29, 2002, Staff submitted to the Commission the procedural schedule proposed by the NHGC and Staff:

Staff Data Requests, Set 1	June 28, 2002
Company Responses	July 12, 2002
Technical Session/Settlement Discussions	July 31, 2002, 10 AM
Staff Data Requests, Set 2	August 2, 2002
Company Responses	August 16, 2002
Settlement Discussions	September 24, 2002, 10 AM
Staff Testimony	October 1, 2002
Company Data Requests, Set 1	October 11, 2002
Staff Responses	November 8, 2002
Settlement Conference	November 19, 2002
Submit Settlement, if any	November 26, 2002
Hearing at Commission	December 5, 2002, 10 AM

II. POSITIONS OF THE PARTIES AND STAFF

A. New Hampshire Gas Corporation

At the prehearing conference, New Hampshire gas Corporation briefly summarized its reasons for seeking a rate increase at this time. NHGC stated that existing rates do not provide sufficient revenue to cover operating expenses and provide a reasonable return on invested capital. NHGC has never requested approval to implement a general rate increase. When it purchased Keene Gas Corporation in 1998, it assumed the rates in

effect at that time.

B. Staff

After its preliminary review of the filing, Staff noted concerns and issues it intended to pursue with the Company: whether rates could be increased at a later date with no hearing and contingent upon customer response to initial rate increases; whether the Company's poor earnings have impacted its ability to provide safe and adequate service to customers; and whether the allocation of the rate increase between residential and commercial and industrial customers is reasonable.

III. COMMISSION ANALYSIS

Having reviewed the proposed procedural schedule, we find that it is reasonable and will aid in the orderly review of the petitioner's filing. Accordingly, we will approve the procedural schedule for the duration of the proceeding.

Based on the foregoing, it is hereby

ORDERED, that the procedural schedule set forth above is approved and shall govern the remainder of this proceeding.

By order of the Public Utilities Commission of New
Hampshire this seventh day of June, 2002.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Debra A. Howland
Executive Director and Secretary