

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 22-058

BEDFORD WASTE SERVICE CORPORATION

Request for Change in Rates

Order *Nisi* Approving Recovery of Step 2 Expenses

O R D E R N O. 27,009

May 23, 2024

In this order, the Commission authorizes Bedford Waste Service Corporation (Bedford) to recover expenses related to the Step II adjustment in the amount of \$3,113.14 through a onetime surcharge of \$39.91 per customer to be collected in the second billing quarter of 2027.¹

Bedford's petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at

<https://www.puc.nh.gov/Regulatory/Docketbk/2022/22-058.html>.

I. BACKGROUND AND PROCEDURAL HISTORY

On March 7, 2024, by Order No. 26, 956, the Commission approved, via a *Nisi* Order, a second step adjustment to Bedford's rates. This was a Step adjustment to recoup expenses associated with 2023 pump replacements. The Step adjustment was contemplated by the parties in their June 28, 2023 settlement on permanent rates (Settlement).

¹ Bedford is currently collecting a quarterly surcharge of \$51.14 to recover the permanent rate case expenses in this docket. See Order No. 26,912 (December 14, 2023). The surcharge being approved will be collected in the next billing cycle after the conclusion of Bedford's recovery of permanent rate case expenses.

On April 26, 2024, Bedford submitted its proposal to recover \$3,254.89 in step expenses through a surcharge of \$41.73 per customer to be assessed over one quarter following the conclusion of Bedford's recovery of permanent rate case expenses. In support of its request, Bedford submitted documentation and underlying invoices. See April 26, 2024 filing.

On May 21, 2024, the Department of Energy (DOE) filed its technical statement of Utility Analyst Robyn Descoteau. The DOE reviewed the Step II expenses and noted that the Step II expenses were contemplated in the Settlement. See DOE's May 12, 2024 technical statement at 1. Besides a singular charge of \$141.75 relative to estimated costs for Stephen St. Cyr and Associates to review and response to DOE data responses, the DOE recommended approval of the submitted expenses. The DOE notes that Bedford assented to the removal of the \$141.75 expense. The resulting recoverable Step II expenses totaled \$3,113.14. The DOE agreed that the recovery of Step II expenses, over a one quarter recovery period following the conclusion of Bedford's recovery of permanent rate case expenses, was just and reasonable.

II. COMMISSION ANALYSIS

Utilities are only authorized to recover expenses for "full rate expenses." See N.H. Code Admin. Rules Puc Chapter 1906.01. Adjudication of step increases, even if contemplated in the permanent rate proceeding, are not full rate case proceedings. Expenses associated with step increases do not fall within the ambit of Puc chapter 1900. However, small water utilities have historically relied on incremental steps in ratemaking dockets as a tool to limit rate shock and provide time between rate cases. The Commission has approved expenses attributed to step proceedings for similarly situated small water utilities. See, e.g., Order 25,226 (May 27, 2011) in Docket No. DW 08-070.

The Commission finds that in this matter the parties have requested an implied waiver of Puc chapter 1900 by containing terms of the submission and review of the step expenses in the settlement. *See* July 12, 2023 Hearing Exhibit 6 at Section 4.5.2.6. Given the implied waiver, the Commission will review the step expenses pursuant to the criteria of Puc Chapter 1900. However, the Commission would like the parties to be mindful that in future proceedings parties will be required to file motions to waive the Commission's rules if waiver is necessary.

The Commission treats prudently incurred rate case expenses as a legitimate cost of service appropriate for recovery through rates, consistent with N.H. Code Admin. Rules Puc Chapter 1900. Puc 1904.02 sets forth the criteria for determining allowed rate case expenses, including that such expenses are consistent with the Chapter 1900 requirements, the costs are actual, known, and measurable expenses associated with a full rate case proceeding, and that recovery of the expenses is just, reasonable, and in the public interest, pursuant to the standards of RSA 378:7 *See, e.g., Hampstead Area Water Company, Inc.*, Order No. 26,185 (Oct. 30, 2018), at 4.

The Commission held a duly noticed hearing on the Settlement Agreement, and resultant proposed rates, on July 12, 2023. The step expenses were anticipated in the 2023 proposed Settlement of permanent rates. Section 4.5.2 of the Settlement Agreement is entitled Step 2- Limited 2023 Pump Replacement. *See* July 12, 2023 Hearing Exhibit 6 at 10.

The Commission has reviewed the request for Step II expenses as well as the technical statement provided by the DOE. Furthermore, the Commission notes that the Company did not object to the requested amendment to its expenses contained in the DOE technical statement.

The Commission finds that Bedford has adequately supported its request with expense documentation. The Commission also finds the DOE's adjustments to be in the public interest and agrees that recovery of the Step II surcharge after the recovery of the permanent rate surcharge approved by Order No. 26,912 (December 14, 2023) will minimize the financial burden on Bedford's limited customer base. Accordingly, the Commission finds Bedford's request to recover its Step II expenses in the amount of \$3,113.14, which when divided by the customer base of 78 yields a surcharge of \$39.91, is just and reasonable pursuant to RSA 378:7.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, Bedford Waste Service Corporation is authorized to recover \$3,113.14 in Step II expenses in one quarterly surcharge of \$39.91 per customer; and it is

FURTHER ORDERED that Bedford Waste Service Corporation is authorized to collect the surcharge of \$39.91 per customer in the next quarterly billing cycle after the conclusion of its rate case expense recovery; and it is

FURTHER ORDERED that Bedford Waste Service Corporation shall post a copy of this order on the Company's website within two business days of the date of this order, with an affidavit of publication to be filed with this office on or before May 28, 2024; and it is

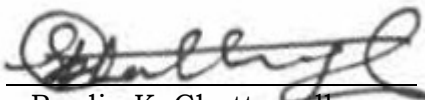
FURTHER ORDERED, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing, stating the reason and basis for a hearing, no later than June 7, 2024 for the Commission's consideration; and it is

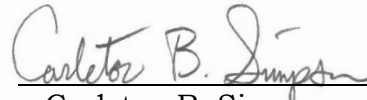
FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than June 17, 2024; and it is

FURTHER ORDERED, that this order shall be effective June 24, 2024, unless the Bedford Waste Service Corporation fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Bedford Waste Service Corporation shall file a compliance tariff with the Commission on or before July 8, 2024, in accordance with New Hampshire Code of Administrative Rules, Puc 1603.02(b).

By Order of the Public Utilities Commission of New Hampshire this twenty-third day of May, 2024.


Pradip K. Chattopadhyay
Commissioner


Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 22-058

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