

# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

**DATE:** August 9, 2017  
**AT (OFFICE):** NHPUC

**FROM:** Stephen Frink   
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**SUBJECT:** DG 16-769 - Concord Steam  
Revenue & Decommissioning

**TO:** Commissioners  
Docket File  
Service List

### **SUMMARY OF FINDINGS**

Concord Steam usage rate revenue under emergency rates did not exceed five percent of the target usage revenue; therefore customer refunds are not required. There are no issues related to Concord Steam requiring further Commission action.

### **BACKGROUND**

Order 25,966 issued November 10, 2016 approved a settlement agreement (Settlement) on Concord Steam Corporation's (Concord Steam) petition for emergency rates and to terminate service. Terms of the Settlement include:

- Effective November 1, 2016 Concord Steam's 2015 adjusted annual usage rate revenue of \$2,004,501 will be increased by \$1,400,000 resulting in Target Usage Revenue of \$3,404,501 for the months of October 1, 2016 through May 31, 2017.
- A Monthly Usage Rate Adjustment Mechanism allowing Concord Steam to increase approved usage rates to eliminate a projected under recovery that exceeds 5% of the Target Usage Revenue.
- Monthly reports to be filed by Concord Steam with an updated calculation of the projected over/under recovery of the Target Usage Revenue of \$3,404,501.
- A customer refund of any over recovery if usage revenue exceeds 5% of the target revenue.
- Concord Steam to discontinue service to its steam customers on or about May 31, 2017.

On July 28, 2017 Concord Steam filed a Revised Monthly Report (Report) which included an accounting of the actual usage revenue compared to target usage revenue through May 31, 2017 and an update on decommissioning activities.

### **Revenue**

Per the Report usage revenue under tariffed rates for October 1, 2016 through May 31, 2017 totaled \$3,558,597 and was \$154,096 or 4.53% over the target usage revenue amount of \$3,404,501.

On August 8, 2017 the Commission Audit Staff issued an Audit Report confirming that the tariff usage revenue of \$3,558,597 and \$154,096 over recovery in the Report is correct, based on Audit's review of Concord Steam's customer invoices.

### **Decommissioning**

The Report listed the following events related to service termination:

- Concord Steam received the Liberty payment for the purchase of assets
- Concord Steam vehicles, tools and other assets not purchased by Liberty have been sold and moved off site.
- The Steam Plant closed and turned over to the State of New Hampshire.
- The lease agreement between Concord Steam and the State for use of the steam piping loop to serve the State House has been executed.
- All manholes have been filled and the covers are being removed and replaced with paving.
- Concord Steam Accounts Receivables as of July 21, 2017 totaled \$30,340.
- Concord Steam will continue to pay for employee health insurance through October 2017, at which point Concord Steam will file a final report with the Commission and close the company.

### **STAFF FINDINGS**

Concord Steam usage revenue at tariffed rates did not exceed 5% of the target revenues to be recovered through tariffed rates during the emergency rate period, October 1, 2016 through May 31, 2017, and therefore, under the terms of the Settlement approved by the Commission Concord Steam will not be issuing customer refunds of the over collection.

The decommissioning of the plant and distribution service is nearly complete and there are no issues that require further Commission action.

DG 16-769

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