

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 20-117

THE HAMPSTEAD AREA WATER COMPANY, INC.

**MOTION TO RECOVER LOST STEP I REVENUE
DURING 65 DAY SUSPENSION OF ORDER NO. 26,809**

NOW COMES, The Hampstead Area Water Company, Inc. (HAWC or Company), pursuant to Puc 203.04, 203.07, and 202.03, and respectfully moves the Commission to recover its Step I Rate Revenue lost during the 65-day suspension of Order No. 26,635 by a 2-month surcharge of \$6.70 for each Company customer. In support of this motion HAWC states the following.

I. PROCEDURAL HISTORY

The Commission approved a permanent rate settlement agreement filed by the settling parties on June 2, 2022, by Order No. 26,635 that included both a Step I and Step II step increase to permanent rates. Each step increase would be subject to certain conditions HAWC must meet. Those conditions include not to file step increases before specific dates, each step increase must not exceed set amounts, and all evidence supporting each step increase was subject to DOE audit review.

The Company filed for its Step I adjustment to rates in accord with the timing required by Order No. 26,635, on September 1, 2022. After DOE staff completed its audit review and Step I discovery was completed, the Commission held a hearing to review a proposed Step I settlement agreement on April 12, 2023. At this hearing the Commission considered testimony and evidence submitted in opposition to the settlement by intervenor Karen Steele. On April 28, 2023, the Commission approved the proposed Step I settlement¹ and thereafter the Company began charging Step I rates to its customers.

¹ PUC Order No. 26,809. at page 8.

On May 15, 2023, Intervenor Ms. Karen Steele filed a *Motion for Rehearing of Order No. 26,809*. The Company filed a timely objection to Ms. Steele's motion on May 22, 2023. The Office of the Consumer Advocate filed a Position Statement on May 22, 2023. On June 14, 2023, the Commission suspended Order No. 26,846 by Order No. 26,846 to consider Ms. Steele's motion. The same day Order No. 26,846 was issued, the Company ceased charging customers Step I rates and instead charged its customers the Permanent Rates previously authorized by Order No. 26,635. On August 16, 2023, the Commission denied Ms. Steele's motion by Order No. 26,874. The Company sought clarification that Order No. 26,846 was reinstated, which the Commission clarified on August 18, 2023. The suspension caused the Company to lose 65 days of Step I rates.

II. ARGUMENT

The Commission denied Ms. Steele's *Motion for Rehearing of Order No. 26,809*. Because Order No. 26,809 was not reheard, the proper effective date of that Order is April 28, 2023. The suspension of Order No. 26,809 was pursuant to RSA 365:21, which states: "The procedure for rehearings and appeals shall be that prescribed by RSA 541." See RSA 365:21. RSA 541:3 allows a party to file a motion for rehearing within 30 days of an order. See RSA 541:3. RSA 541:5 allows the Commission to suspend the order complained of in a motion for rehearing pending further consideration. See RSA 541:5. RSA 541 is silent on the right of a utility to recover the deficiency of revenue during the time an order is suspended when a motion for rehearing is denied.

When the Commission issued Order No. 26,635, it approved a settlement that included both a Step I and Step II adjustment to the Company's permanent rates, subject to certain conditions. See Puc 203.20(b) (the Commission shall approve the disposition of any contested case by stipulation if it determines that the result is just and reasonable and serves the public interest). HAWC satisfied those conditions for Step I. Ms. Steele's motion for rehearing caused the Company to revert to its previously authorized permanent rates for 65 days. The Company calculates lost revenue during these 65 days totaled \$55,615.64, comprising

\$9,926.55 of base meter charges and \$45,689.09 of consumption charges.² This calculation was reviewed by its consultant, Stephen P. St. Cyr. The Company moves to recover this lost revenue through a 2-month surcharge of \$6.70 per month to each of its customers.

The Company successfully supported its request for Step I rates as being just and reasonable, and necessary, and the Commission agreed when it issued Order No. 26,809. If the Commission denies this motion, HAWC would not only result in the Company losing its authorized Step I revenue for 65 days, but it would incentivize future motions for rehearing as a litigation tactic to cause public utilities to lose revenue otherwise authorized by the Commission. This is particularly so in this case where Ms. Steele actively participated in this docket and was afforded the full opportunity to present testimony and evidence at both the permanent rate and Step I hearings—which she in fact she did. To deny recovery of this lost revenue in these circumstances would be unjust and unreasonable and violate the Commission’s previous Orders. It would also create a revenue shortfall for the Company despite the Commission having twice found the Company to have met its burden of proving the necessity of the increased rates and that such an increase was just and reasonable. See Order No. 26,635 and Order No. 26,809.

III. CONCLUSION

For these reasons, the Commission should grant this motion.

WHEREFORE, HAWC respectfully requests the Commission grant this motion and:

- A. Allow the Company to recover lost revenue of \$55,615.64 from its customers for the 65 days Order No. 26,809 was suspended by a 2-month surcharge of \$6.70 per month to each of its customers; and
- B. Grant such further relief as the Commission deems just, reasonable, and equitable.

² See Exhibit A - Worksheet

Respectfully submitted,

THE HAMPSTEAD AREA WATER COMPANY, INC.
By its Attorney,

/s/ Anthony S. Augeri

Date: November 17, 2023

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing motion was sent by email this 17th day of November 2023 to all parties on the Docket Related Service List for this docket.

/s/ Anthony S. Augeri

Anthony S. Augeri