

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 20-153

PITTSFIELD AQUEDUCT COMPANY, INC.

Request for Change in Rates

Order Suspending Tariff and Scheduling Prehearing Conference

ORDER NO. 26,435

December 16, 2020

This order suspends a proposed water service tariff filed by Pittsfield Aqueduct Company, Inc. (PAC, or the Company) for temporary rates fixed at current rate levels, and permanent rate increases with certain modifications to the Company's ratemaking structure, pending further investigation. The order also schedules a Prehearing Conference for January 20, 2021, beginning at 10:00 a.m.

On September 17, 2020, PAC filed with the Public Utilities Commission (Commission) a Notice of Intent to File Rate Schedules. On November 16, PAC filed a Petition for Temporary Rates and a Petition for Further Modifications to Ratemaking Structure, supported by testimony and schedules, pursuant to New Hampshire Code of Administrative Rules, Chapter Puc 1600. PAC's petition requests that the Commission fix, determine, and prescribe, pursuant to RSA 378:27 and 378:28: (1) a permanent increase in PAC's rates effective with service rendered on or after December 17, 2020, designed to yield an increase of \$86,783, or 11.18 percent in annual revenues, using a ratemaking methodology similar to that approved for its affiliates,

Pennichuck Water Works, Inc. (PWW)¹ and Pennichuck East Utility, Inc., (PEU);² and (2) temporary rates effective on or after December 17, 2020, fixed at current rate levels, pending the Commission's final determination on the Company's request for a permanent rate increase.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-153.html>.

A. Petition for Permanent Rate Increase

Pittsfield Aqueduct Company, Inc. (PAC) provides water service to approximately 640 customers in the Town of Pittsfield. Through its petition, PAC seeks a permanent increase in its annual gross operating revenues of \$86,783 or 11.18 percent, effective December 17, 2020, based on a test year ending December 31, 2019. PAC, an all-debt financed entity, states that this increase is required in order for it to access debt markets at the lowest possible cost. The Company anticipates that if future rates are more directly related to its long-term debt-based capital requirements to create sustainable cash coverage, the Company will be able to acquire debt on more beneficial terms.

As a result of the requested permanent rate increase, PAC projects that an average residential single family home with a monthly usage of 5.19 hundred cubic feet (ccf) of water will see their monthly water bill increase from \$58.12 to \$64.62, or \$6.50 (\$78 annually).

¹ See Commission Order No. 26,070 (November 17, 2017) in Docket DW 16-806 and Commission Order No. 26,383 (July 24, 2019) in Docket DW 19-084. PAC, however, is not requesting the implementation of a Qualified Capital Project Adjustment Charge (QCPAC) mechanism in the instant proceeding.

² See Commission Order No. 26,179 (October 4, 2018) in Docket DW 17-128. PAC, however, is not requesting the implementation of a Qualified Capital Project Adjustment Charge (QCPAC) mechanism in the instant proceeding.

B. Request for Temporary Rates

With respect to its temporary rate petition, PAC requests that the Commission fix temporary rates at current rate levels, pending the approval of permanent rates in this proceeding. In support of its request regarding temporary rates, PAC states that it decided to accept current rates as temporary rates in light of the economic developments of 2020 and that its decision is predicated on full recoupment of the requested permanent rate increase on a service-rendered basis through reconciliation of the permanent rates established at the conclusion of this proceeding.

PAC's filing raises, *inter alia*, issues related to whether the resulting proposed temporary rates and the proposed permanent rates using a similar ratemaking methodology as that of PWW and PEU are just, reasonable, and lawful; whether test year expenses and *pro forma* adjustments are reasonable, as required under RSA 374:2 and 378:7; and the prudence of investments made.

PAC's proposed tariff revisions warrant further investigation. Accordingly, suspension of the tariffs pursuant to RSA 378:6, I (a) at this time is appropriate.

On April 24, 2020, the Governor issued an executive order (Exhibit D to Executive Order #29) that extended the Commission's ability to suspend rate schedules by six months, from 12 to 18 months. *See* 378:6, I(a). The extension applies to this proceeding; however, the Commission will endeavor to set rates as expeditiously as possible.

Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that the proposed tariff changes are suspended for a period of 18 months pursuant to RSA 378:6, I(a), and Exhibit D to Executive Order #29, pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that, consistent with Governor Christopher T. Sununu's Emergency Order #12, the Commission will hold a web-enabled remote prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, on January 20, 2021, at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. R., Puc 203.15. Members of the public who wish to access the prehearing conference may do so by [clicking here](#). **If you have any difficulty obtaining access to this remote event, please notify the Commission by calling (603) 271-2431 as soon as possible.** Parties will be provided with additional instructions prior to the prehearing conference; and it is

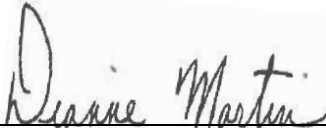
FURTHER ORDERED, that, immediately following the prehearing conference, PAC, the Staff of the Commission, and any intervenors hold a web-enabled remote technical session to review the petition; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, PAC shall notify all persons desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than one business day after the date of issue. In addition, the Executive Director shall publish this order of notice on the Commission's website no later than one business day after the date of issue; and it is

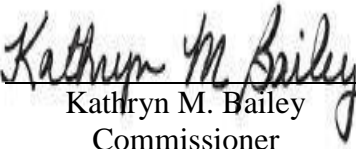
FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to PAC and the Office of the Consumer Advocate on or before January 15, 2021, such petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, any party seeking to intervene may elect to submit this filing in electronic form; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before January 20, 2021.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of December, 2020.

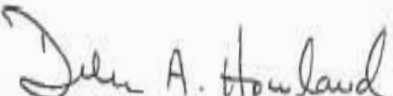


Dianne Martin
Chairwoman



Kathryn M. Bailey
Commissioner

Attested by:



Debra A. Howland
Executive Director

Service List - Docket Related

Docket#: 20-153

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