

March 31, 2023

**Via Electronic Mail Only**

Daniel Goldner, Chair  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

**Re:** Docket No. DW 20-184 - Request for Change in Rates Aquarion Water Company of New Hampshire, Inc.  
Rate Recoupment Adder compliance filing

Chair Goldner:

The settlement agreement on permanent rates in this docket approved by the New Hampshire Public Utilities Commission (“Commission”) in Order No. 26,659 (July 29, 2022) authorized Aquarion Water Company New Hampshire (“Aquarion” or the “Company”) to keep temporary rates in place until the step adjustment to permanent rates was implemented. The parties to this docket decided that waiting until approval of the step adjustment to implement both permanent rates and the step adjustment would “aid in maintaining rate stabilization and avoid customer confusion.” (Settlement agreement, bates page 51). Instead the settling parties agreed, and the Commission approved, a surcharge to be recovered from all customers over 12 months to account for any disparity in collected revenues, and that “the effective date that the new permanent rates shall go into effect shall be the same date upon which the Commission issues its order approving the Step I adjustment. As such, the time period for the temp-to-perm recoupment shall also be from February 1, 2021 through the date of the Commission’s order approving Step I rates.” (Settlement Agreement at Bates pages 51-52). The Company refers to this recoupment as the Rate Recoupment Adder.

The parties to the settlement agreement also contemplated that permanent rates and the step adjustment would be approved on or about the same time, which is why the settlement agreement allowed the Company to request an order on the step adjustment by July 1, 2022, and why the settling parties agreed that “the ***effective date for both the permanent rate decrease and Step I rate increase should be realized on the same date.***” (Settlement Agreement at Bates page 51, emphasis added). This way the Company would have been able to start collecting step adjustment revenue at the same time that permanent rates were put in place, consistent with the settlement agreement’s purpose of using the recoupment to “aid in maintaining rate stabilization and avoid customer confusion”. (*Id.*)

Because the step adjustment did not take effect until March 1, 2023, the Company conducted a second calculation to recover the portion of step adjustment revenue that would otherwise be lost due to the eight months from the effective date of permanent rates that it took to



approve and implement the step adjustment. This revenue calculation is also included in the Rate Recoupment Adder, consistent with the settlement agreement's intent to have permanent rates and the step adjustment have an effective date "realized on the same date". This does not conflict with the settlement agreement provision that "the temp-to-perm recoupment will apply solely to the permanent rate revenue requirement decrease, which will result in a credit to customers, and not the Step I increase and its resulting rate increase", because the step adjustment calculation was only applied from the date that permanent rates became effective. The step recoupment calculation was not applied to the period between temporary and permanent rates becoming effective, consistent with the settlement agreement.

The Company submits the attached calculations supporting the proposed Rate Recoupment Adder as well as an executive summary of the calculation and allocation methodologies. The proposed Rate Recoupment Adder allows for the collection of a total \$151,481 from May 1, 2023, through April 30, 2024. Attached are the following in support of the proposed adder rates:

- Attachment 1: Executive summary of the calculation and allocation methodologies for the adder
- Attachment 2: Summary results and adder calculations
- Attachment 3: Temporary to permanent rate recoupment calculations for period between February 1, 2021 through July 31, 2022
- Attachment 4: Temporary to permanent rate recoupment calculations and Permanent to Step recoupment calculations for period between August 1, 2022 through February 28, 2023
- Attachment 5: Proposed tariff page for Rate Recoupment Adder

Consistent with current Commission policy, this compliance filing is being filed electronically only; paper copies will not follow. If you have any questions, please contact me. Thank you for your assistance with this matter.

Regards,

Jessica A. Chiavara  
Senior Counsel, Eversource Energy  
o/b/o Aquarion Water Company of New  
Hampshire, Inc.

Attachments

cc: DW 20-184 Service List