STATE OF NEW HAMPSHIRE BEFORE THE PUBLIC UTILITIES COMMISSION

AQUARION WATER COMPANY OF NEW HAMPSHIRE

Request for Change in Rates

Docket No. DW 20-184

MOTION FOR REHEARING AND CLARIFICATION OF ORDER NO. 26,761

Pursuant to New Hampshire Code of Administrative Rules Puc 203.07 and RSA 541:3, Aquarion Water Company of New Hampshire, Inc. ("Aquarion" or the "Company") respectfully requests rehearing and clarification of Order No. 26,761 (January 19, 2023) (the "Order Nisi") issued by the Public Utilities Commission (the "Commission") in the instant docket.

In this motion, Aquarion seeks rehearing and clarification of one issue: that the annual revenue increase of \$1,328,088 for the step adjustment, as approved in the Order Nisi, be applied on a uniform basis to all of Aquarion's fixed and volumetric charges, and not just to the volumetric charges as stated in the Order Nisi.¹ As explained in this motion, this correction is necessary to conform with the comprehensive settlement agreement of the parties ("Settlement"), the step adjustment calculation pursuant to that Settlement ("Step Adjustment"), the Department of Energy ("DOE") audit of the step adjustment, and the stipulation on the step adjustment (the "Stipulation"), all of which have been approved by the Commission by Order No. 26,659 (July 29, 2022) (the "Order"), and the Order Nisi. Specifically, the 18.73 percent step adjustment increase is intended to be applied uniformly to all fixed and volumetric rates.

See Order Nisi, at 3, 4.

I. LEGAL STANDARD

Pursuant to RSA 541:3 and 541:4, a party may move for rehearing of a Commission order within 30 days of the order by specifying every ground upon which it is claimed that the order is unlawful or unreasonable. The Commission may grant rehearing or reconsideration where a party states good reason for such relief. *Public Service Company of New Hampshire*, Order No. 25,361 (May 11, 2012) at 4. Good reason may be shown by identifying specific matters that were overlooked or mistakenly conceived by the deciding tribunal, or by identifying new evidence that could not have been presented in the underlying proceeding. *Id.* at 4-5. Within 30 days of the filing of a motion for rehearing, the Commission must grant, deny, or suspend the order or decision complained of pending further consideration, and the suspension may be upon such terms and conditions as the Commission may prescribe. RSA 365:21.

II. AQUARION'S REQUEST FOR REHEARING AND CLARIFICATION

In the Order, the Commission approved the comprehensive Settlement entered into by and between Aquarion, DOE, the Office of the Consumer Advocate ("OCA"), and the Towns of Hampton and North Hampton, comprising all the parties to the docket. The Settlement established permanent rates and included the single Step Adjustment with a not-to-exceed annual revenue amount of \$1,561,436. The Order provided that the final amount "shall be subject to DOE audit and reconciliation based on the results of the audit, and subject to final approval by the Commission." Order at 11. On September 22, 2022, Order No. 26,680 ("Rehearing Order") modified the Order by removing \$44,442 from the Step Adjustment relating to wages, salaries and benefits. Rehearing Order at 4.

On November 21, 2022, Aquarion filed the Stipulation concerning the Step Adjustment following the DOE audit of the calculation of the Step Adjustment. On December 23, 2022,

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Aquarion filed an executive summary and accompanying detailed explanation (the "Detailed Explanation") of the methodology utilized to support the Step Adjustment contained in the Stipulation. The Order Nisi found "the annual revenue increase of \$1,328,088 in support of the step adjustment to be reasonable" and approved it "to be applied on a uniform basis *to all of Aquarion's volumetric charges*." Order Nisi at 3 (emphasis added). The Commission ordered "we approve an annual revenue increase of \$1,328,088 for Aquarion's step adjustment, to be applied on a uniform basis *to all of Aquarion's volumetric charges*." Order Nisi at 3 (order Nisi at 4 (emphasis added).

However, the detailed attachments contained in the Stipulation demonstrate that the Step Adjustment methodology applies the associated revenue increase uniformly to all *fixed and* volumetric charges. Specifically, Attachment B of the Stipulation (Bates 0011 - 0021) shows the proposed rate changes including the Step Adjustment increase. The increase is applied uniformly to the fixed monthly service charges and volumetric charges. See, e.g., Attachment B at 3 - 7 (Bates 0013 - 0017). The Detailed Explanation states: "Attachment B presents the overall revenue requirement and detailed bill analysis (metered and volumetric rates) by rate class at current rates, permanent rates, and after incorporating the Step Adjustment. The 18.73 percent Step Adjustment increase *is applied uniformly to all fixed and volumetric rates*." Detailed Explanation at 3-4 (emphasis added). Public and private fire rates do not have volumetric rates so it was never a consideration to apply the step increase only to volumetric charges.

Therefore, the Company respectfully requests rehearing and clarification of the Order Nisi such that it approves an annual revenue increase of \$1,328,088 for the Step Adjustment, to be applied on a uniform basis to all of Aquarion's fixed and volumetric charges. If this correction is not made, the percentage increase to the volumetric charges would need to be increased to recover

the approved amount of the Step Adjustment. However, as reflected in Attachment B of the Stipulation, the 18.73 percent adjustment is applied to both fixed and volumetric rates. Therefore, to only apply the step increase to volumetric rates would be inconsistent with the Settlement and Stipulation.

WHEREFORE, AQUARION respectfully requests that the Commission:

- A. Grant rehearing by reconsidering the issue identified in this Motion for the reasons set forth;
- B. Provide clarification regarding the issue identified in this Motion, above; and
- C. Grant any such further relief as may be just and reasonable.

Respectfully submitted,

By:

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

Date: February 3, 2023

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CERTIFICATE OF SERVICE

I hereby certify that, on the date written below, I caused the attached to be served pursuant to N.H. Code Admin. Rule Puc 203.11.

Date: February 3, 2023

Jessica A. Chiavara