

PURbase

FURTHER ORDERED, that hearings shall be held April 13, 14, 15 and 16, 1982, beginning at 10 o'clock in the forenoon; and it is

FURTHER ORDERED, that all prefile testimony be submitted to the Commission by Monday, March 22, 1982, at 4:30 p.m.; and

WHEREAS, VOICE's objection/exception is contrary to the foregoing Report and Order; it is

ORDERED, that the objection is denied.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of February, 1982.

FOOTNOTE

<sup>1</sup>As stated on pp. 152 and 153 of 67 NH PUC in the above captioned Order, the issues raised by VOICE in their November 27, 1981 motion were ripe for review, if ever, within the statutory time frame of RSA, Chapter 541. In Commission initiated further hearings on its own authority to determine the adequacy of its original Order. The scope of these further hearings is solely within the discretion of the Commission and not subject to objection by VOICE. To spite of the fact that VOICE's motion was deemed untimely as well as without merit, the Commission discussed in some detail its compliance with Section 114 of PURPA in the Report accompanying the Sixth Supplemental Order. The the extent the issues were the same as those set forth in VOICE's motion should be considered a matter of coincidence.

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NH.PUC\*02/24/82\*[79212]\*67 NH PUC 180\*Concord Natural Gas Corporation

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## Re Concord Natural Gas Corporation

DR 81-284

67 NH PUC 180

New Hampshire Public Utilities Commission

February 24, 1982

ORDER affirming disallowance of penalties.  
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FINES AND PENALTIES, § 1 — Gas — Disallowance.

[N.H.] The commission affirmed its past decision that penalties incurred in connection with fuel costs are not a legitimate expense to be charged to the ratepayer, but are the responsibility of management and should be borne by the stockholders.  
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PURbase

BY THE COMMISSION:

MOTION FOR CLARIFICATION AND OTHER RELIEF

Concord Natural Gas Corporation on February 17, 1982 filed a motion for clarification of the Commission's Report on Rehearing, dated February 2, 1982, and Order No. 15,471, dated February 2, 1982 (67 NH PUC 113). The Company's motion asserts that the Commission is incorrect in its disallowance of penalties incurred by the Company and that findings in the Summer Cost of Gas Report and Order No. 14,879 were not final with regard to those penalties.

In the revised Report and Order No. 15,471, this Commission arrived at an adjusted cost of gas rate for the winter period from February through April 1982. In that decision, the Commission affirmed the disallowance of penalties that had been previously included in the prior summer CGA. The Commission, however, did not account for that disallowance in the winter CGA and stated that it would be reconciled in the summer 1982 CGA. The Company has submitted an accounting by its certified public accountant to confirm that the second penalty assessed by Tennessee had not been paid in the period from October 1, 1980 to December 31, 1981 and was not an outstanding obligation as of December 31, 1981.

The cost of gas adjustment for gas companies and the fuel adjustment clauses were set up originally to allow companies to collect highly volatile changes which were occurring in fuel costs. Those clauses operate outside of the basic rates which are decided in basic rate cases. The clauses operate to allow companies to collect legitimate fuel costs. When the cost of gas revenues and costs are confirmed by an audit by the Commission staff, the Commission will consider the issue finalized. Commission files and decisions will confirm that refunds have been ordered for discrepancies which have occurred in both purchasing and accounting for fuel adjustment costs. Therefore, this Commission reaffirms the previous decision that penalties incurred in connection with fuel costs are not a legitimate expense to be charged to the ratepayer and finds that they are the

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responsibility of management to be borne by the stockholders. The Commission will also direct staff auditors to perform a complete audit of all fuel clauses. The Commission is still studying the new concept of two sets of books by Concord's gas supplier. When a final verdict is possible of determination, the Company will be so informed. However, in the interim, the first penalty is to be booked below the line and the second penalty remains under evaluation as to whether it was paid in some form.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of February, 1982.

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NH.PUC\*02/25/82\*[79213]\*67 NH PUC 181\*Connecticut Valley Electric Company, Inc.

[Go to End of 79213]