

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Docket No. DW 22-058

Bedford Waste Services Corporation

Rate Case Expense Recovery and

Temporary-to-Permanent Rate Revenue Recoupment Surcharge

Technical Statement of Robyn J. Descoteau, Utility Analyst. Water Group
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Pursuant to RSA 12-P:2, IV, please accept this Technical Statement as the New Hampshire Department of Energy's (DOE) recommendation to the Public Utilities Commission (Commission) in the above-referenced docket. The DOE has reviewed Bedford Waste Services Corporation's (Bedford, Company) September 27, 2023 filing as it pertains to Bedford's rate case expense and temporary-to-permanent rate revenue recoupment surcharges. Included with this Technical Statement as Attachment A are Bedford's responses to DOE Data Requests Set 3.

Brief Summary of Bedford's Request

On September 27, 2023, Bedford submitted a filing which proposed implementation of surcharges for the recovery of its rate case expenses and recoupment of the difference between temporary and permanent rates. The filing contained documentation to support rate case expenses incurred, the calculation of its temporary-to-permanent rate recoupment, and proposed tariff pages. Specifically:

- 1) The Company requested recovery of rate case expenses of \$46,586 through a surcharge of \$76.66 to be collected over eight quarterly billings, based on Bedford's customer count of 78 customers. During the technical session, however, the DOE noted and Bedford concurred, the correct surcharge to recover \$46,586 from 78 customers over an eight-quarter period should have been \$74.66.¹
- 2) The Company requested to recover a temporary-to-permanent rate revenue recoupment amount totaling \$7,101 proposed to be collected through eight quarterly billings of \$11.38², also based on Bedford's customer count of 78 customers.

¹ Original Rate Case expenses: $\$46,586 \div 78 \text{ customers} = \$597.26 \text{ per customer} \div 8 \text{ quarters} = \$74.66 \text{ per quarter.}$

² Original Temp-to-Perm recoupment: $\$7,101 \div 78 \text{ customers} = \$91.04 \text{ per customer} \div 8 \text{ quarters} = \$11.38 \text{ per quarter.}$

- 3) Combined, the total surcharges initially proposed by Bedford were \$86.04 per customer per quarter (\$74.66 + \$11.38) for eight quarters, which is equivalent to \$28.68 (\$86.04 per quarter ÷ 3 months) per customer per month during that same period.

On October 3, 2023, the Company filed a letter with the Commission confirming they had consulted with the DOE to establish a procedural schedule that would facilitate the DOE's intent to provide a report to the Commission related to the Rate Case Expense and Temporary-to-Permanent Rate Recoupment Surcharge filing on or before November 17, 2023. On October 5, 2023, the Commission approved the proposed procedural schedule.

DOE Analysis and Recommendation

The DOE reviewed Bedford's September 12, 2023 filing, tested the calculations contained therein, propounded one set of discovery on October 6, 2023 (*see Attachment A*), and participated in a Technical Session with Bedford on October 20, 2023.

In its discovery responses, the Company proposed additional rate case expense charges related to actual billings that replaced estimated billings contained in Bedford's original filing. *See Attachment A, DOE 3-4*. The resulting increase in proposed recoverable rate case expenses amounted to \$2,633. The DOE reviewed the Company's actual billings contained in DOE 3-4 and recommends that the Commission approve the additional rate case expense charges proposed by the Company resulting in an increase in the Company's recoverable rate case expenses of \$2,633.

The DOE also recommends a reduction in Bedford's proposed rate case expenses of \$1,355 for costs that were not directly associated to the rate case docket. The charges in question were discussed with Bedford during the October 20 technical session and the Company agreed to remove these charges from the rate case expense portion of its filing, as follows:

- 1) Stephen P. St. Cyr and Associates charges totaling \$337.50 related to preparing a rate case engagement letter. *See Attachment A, DOE 3-1*.
- 2) Stephen P. St. Cyr and Associates, NH Brown Law, and LaMontagne Management charges totaling \$792.50 related to reviewing an Affiliate Agreement between Bedford and LaMontagne Management. These costs, instead, related to Bedford's compliance with NH RSA 366. *See Attachment A, DOE 3-3*.
- 3) State of New Hampshire invoice 12598, dated November 15, 2022, totaling \$225 for expenses incurred by Douglas W. Brogan for work performed on Bedford's financing approval docket in DW 22-054. *See filing, bates page 48*.

Therefore, the DOE recommends the Commission approve Bedford's recovery of rate case expenses of \$47,864 (\$46,586 + \$2,633 - \$1,355). The DOE proposes no changes to Bedford's calculated temporary-to-permanent rate revenue recoupment of \$7,101 and recommends the Commission also approve recovery of this amount.

Further, the DOE believes that the eight-quarter recovery period originally proposed by Bedford would cause an undue burden on its limited customer base of 78 and proposes, instead, to extend

the proposed recovery period to twelve quarters. Under this scenario the proposed surcharge related to the Company's recovery of its rate case expenses would be \$51.14 per customer per quarter ($\$47,864 \div 78 \text{ customers} \div 12 \text{ quarters}$) and the proposed surcharge related to the Company's temporary-to-permanent rate recoupment would be \$7.58 per customer per quarter ($\$7,101 \div 78 \text{ customers} \div 12 \text{ quarters}$). Combined, the total surcharges recommended by the DOE are \$58.72 per customer per quarter ($\$51.14 + \7.58) for twelve quarters, which is equivalent to \$19.57 ($\$58.72 \text{ per quarter} \div 3 \text{ months}$) per customer per month during that same period.

The DOE discussed its proposal regarding extending the surcharge recovery period from eight quarters to twelve quarters with Bedford. The Company indicated that in the spirit of settlement it would not object to the DOE's proposed recommendation in this regard. Bedford noted the importance of commencing customer billing on January 1, 2024, for the temporary-to-permanent recoupment and rate case expense surcharge.

Summary

Based upon its review of the information presented by Bedford in its filing, subsequent discovery, and follow-up discussions with the Company, the DOE believes that Bedford has demonstrated that its proposed rate case expenses, as revised, of \$47,864, are appropriate and that the resulting proposed rate case expense surcharge of \$51.14 per customer per quarter for twelve quarters is consistent with the Commission's rules and the settlement agreement approved by Commission Order No. 26,884. Additionally, the DOE believes Bedford presented proper calculations of its proposed rate recoupment surcharge that reconciles temporary-to-permanent rates from November 17, 2022 through June 30, 2023. As such, the DOE believes that the proposed reconciliation amount of \$7,101 and resulting proposed recoupment surcharge of \$7.58 per customer per quarter for twelve quarters is also consistent with the settlement agreement approved by Commission Order No. 26,884 and will result in just and reasonable rates.

In conclusion, the DOE recommends that the Commission approve Bedford's filing by the issuance of an Order *nisi* to ensure that all interested parties receive notice and have opportunity to comment or request a hearing before the order becomes effective.

With the filing of this technical statement and attachments, the DOE believes a complete record has been provided in this matter for consideration by the Commission, pursuant to the DOE's purpose under RSA 12-P:2, IV.

Attachments: Attachment A - Bedford's responses to DOE Data Requests Set 3 (Redacted)