

**STATE OF NEW HAMPSHIRE**  
**BEFORE THE**  
**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**

**Docket No. DW 22-058**

**Bedford Waste Services Corporation**

**Step 2 Revenue Requirement Compliance Filing**

Technical Statement of Robyn J. Descoteau, Utility Analyst. Water Group  
New Hampshire Department of Energy, Division of Regulatory Support

February 8, 2024

Pursuant to RSA 12-P:2, IV, please accept this Technical Statement as the New Hampshire Department of Energy's (DOE) recommendation to the New Hampshire Public Utilities Commission (Commission) in the above-referenced docket. The DOE has reviewed Bedford Waste Services Corporation's (Bedford or Company) January 8, 2024 filing as it pertains to the Company's proposed Step 2 revenue requirement adjustment. Included with this Technical Statement as Attachment A are Bedford's responses to DOE Data Requests Set 5. Included as Attachment B is the DOE's revision of Bedford's Step 2 Revenue Requirement. Attachment C is Bedford's revised Report of Proposed Rate Changes.

**Brief Summary of Bedford's Request**

On January 8, 2024, Bedford submitted a compliance filing as directed by Commission Order No. 26,884 dated September 12, 2023, which approved a Step 2 revenue requirement adjustment for the recovery of actual costs associated with the replacement of up to three pumps in 2023. The filing contained documentation to support actual costs related to Bedford's sole pump replacement costing \$4,128.91 in 2023, the calculation of its proposed revenue requirement, and proposed tariff pages.

The Company requested recovery of additional annual revenues associated with its pump replacement of \$947.17, for a 1.29 percent increase over Bedford's revenue requirement previously approved in Order No. 26,884. This would result in an annual increase per customer of \$12.14, or \$3.04 per billing quarter.

**DOE Analysis and Recommendation**

The DOE conducted a full review of Bedford's January 8, 2024, filing. The DOE tested the calculations within the proposed revenue requirement and rate change schedules, reviewed vendor costs, and propounded one set of discovery on January 19, 2024 (*see Attachment A*).

During the discovery process, the DOE noted Bedford's revenue requirement calculation reflected a half-year of accumulated depreciation rather than a full year. The DOE believed that this was not consistent with the revenue requirement calculation approved for both permanent rates and the Step 1 revenue adjustment by the Commission in Order No. 26,884. To retain consistency in the rate requirement calculation, the DOE proposed an adjustment to Bedford's filing to properly reflect a full year of accumulated depreciation.<sup>1</sup>

As a result, the DOE recommends a \$27.48<sup>2</sup> or 0.04 percent reduction to Bedford's proposed Step 2 revenue requirement for an adjusted amount of \$919.69 or a 1.25% percent increase over Bedford's previously approved permanent rate and Step 1 revenue requirement. This represents an annual increase per customer of \$11.79, or \$2.95 per billing quarter. (*see Attachments B and C*). Prior to filing this report with the Commission, the DOE submitted its proposed adjustments to Bedford for its review. Bedford concurred with the DOE's proposed adjustments.

### **Summary**

Based upon its review of the information presented by Bedford in its filing and subsequent discovery, the DOE believes that Bedford has demonstrated that its proposed Step 2 revenue requirement adjustment, as revised, of \$919.69, is appropriate and that the resulting proposed annual increase per customer of \$11.79, or \$2.95 per billing quarter, is consistent with the Commission's rules, the settlement agreement previously 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.

Bedford concurs with the DOE's recommendations contained herein and states, "The Company respectfully requests that the NHPUC issue its Order *nisi* by no later than February 29, 2024 so that it can incorporate the results into its April 1, 2024 billing to customers." Bedford also adds, "Following the NHPUC order Bedford will submit its Step 2 expenses for DOE to review and make a recommendation and for the PUC to review and approve."

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.

<sup>1</sup> The cost to replace one pump of \$4,128.91 divided by a 7-year useful life equals a \$589.84 depreciation adjustment per year ( $\$4,128.91 \div 7 = \$589.84$ ). Therefore, the filing requires an addition to accumulated depreciation of \$294.92 ( $\$589.84 - \$294.92$ ) which represents an additional half-year of depreciation. The flow-through of this adjustment reduces net utility plant by \$294.92 ( $\$3,833.99 - \$3,539.07$ ). Therefore, the return on Step 2 rate base is reduced by \$21.18 ( $\$294.92 \times 7.18\%$ ); State of NH utility property tax is reduced by \$1.94 ( $\$294.92 \div \$1,000 = \$0.29492 \times \$6.60$ ); and the Town of Bedford property tax is reduced by \$4.36 ( $\$294.92 \div 1,000 = \$0.29492 \times \$14.80$ ).

<sup>2</sup> The DOE's proposed revenue requirement reduction of \$27.48 is a total the following: Return on Step 2 rate base of \$21.18; State of NH utility property tax of \$1.94; Town of Bedford property tax of \$4.36.

Attachments: Attachment A – Bedford’s responses to DOE Data Requests Set 5  
Attachment B – DOE’s revision of Bedford’s Revenue Requirement  
Attachment C – Bedford’s revised Report of Proposed Rate Changes

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