

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 23-096

Pennichuck East Utility, Inc.

Permanent Rate Proceeding

PARTIALLY ASSENTED-TO MOTION TO WITHDRAW

NOW COMES, Pennichuck East Utility, Inc. (PEU), in accordance with N.H. Admin. R. Puc 203.07, and hereby requests the Public Utilities Commission (Commission) to authorize PEU to withdraw the instant rate case, without prejudice. In support of this motion, PEU state as follows:

Procedural Facts

1. Pursuant to Commission Order No. 26,586, dated February 18, 2022, PEU is required to maintain a three-year rate case cycle. Given that PEU's last rate case was based on a 2019 test year, PEU was required to file a rate case based on a 2022 test year, in 2023.

2. On November 21, 2023, PEU joined with its affiliates, Pennichuck Water Works, Inc. (PWW); and Pittsfield Aqueduct Company, Inc. (PAC) and filed a full rate case and request for authority to charge customers based on a consolidated rate tariff. PEU's Puc 1604.06 and Puc 1604.08 rate case schedules were included in the DW 23-088 rate filing at Tabs 11 and 12. PEU's Puc 1604.01 rate case documents were included at Tab 14. The Commission docketed this request to consolidate rates as Docket No. DW 23-088. PEU believes it met its three-year obligation under Order No. 26,586 with its filing in DW 23-088.

3. On November 28, 2023, pursuant to N.H. Admin. R. Puc 1604.05(a), PEU also filed a Notice of Intent to file rate schedules on an individual company basis so as to preserve its

right to revenues should the consolidated rate case not obtain approval. Pursuant to the Commission's rules, PEU's full rate filing is due to be filed between December 29, 2023 and January 29, 2024.

4. On December 15, 2023, PEU, PWW, and PAC filed a Joint Petition for the Approval of a Consolidation. The Commission docketed the merger as DW 23-101.

Reasons for Withdrawing the PEU 2022 Test Year Rate Case

5. After discussions with parties in the multiple pending dockets, PEU has concluded that withdrawing the instant PEU rate case would be beneficial because it will allow parties to more efficiently focus their review on the request to consolidate rates and associated merger case.

6. PEU has a second reason for requesting withdrawal of the instant stand-alone PEU rate case. That is because, in the event the Commission grants the DOE's motion to dismiss in Docket No. DW 23-088, PEU will need to pursue rate relief on an individual basis, but its 2022 test year is now stale. The notice of a 24.10% revenue increase is also stale. Upon further analysis of its 2023 expenses, a revenue requirement based on a 2022 test year does not give PEU sufficient revenues to refill its rate stabilization accounts. A 2023 test year would be a more appropriate measure of its revenue needs. PEU is actively closing its 2023 books such that if it needs to pursue a stand-alone rate case instead of its consolidated rate case, it could re-notice and re-file an individual rate case in March-April 2024.

Timing

7. In Docket No. DW 23-088, the Commission will hold a hearing on the DOE's motion to dismiss on January 31, 2024. PEU will defend against that motion. PEU's preference is to pursue consolidation of rates because, under a stand along rate case, PEU would need a 24.10% increase in revenues; while under consolidated rates, PEU's volumetric rates would, for

example, decrease by about 36.09%, 42.80%, or 13.43%, depending on the customer class.

Consolidation of rates offers a less dynamic range of customer rate increases and would not affect customer rates until January 1, 2025. For these reasons, the impact to customer rates is the primary driver of Docket Nos. DW 23-088 and DW 23-101.

8. The timing on a ruling on the motion to dismiss is critical. If the Commission dismisses DW 23-088, then an individual PEU rate case must go forward. In order to obtain temporary rate relief and recoupment under RSA 378:29, PEU would need to file its tariffs in early April for effect in early May 2024. This means PEU would need a Commission decision by late February so that it can file its notice of intent in early March. PEU has set Monday, March 4, 2024 as the contingency date for filing a notice of intent.

9. The Commission may ask what happens if the Commission denies the DOE's motion to dismiss and consolidation of rates among the Pennichuck affiliates is ultimately not approved because the merger is not found to be in the public interest. Because customer rates are the primary driver of PWW, PEU, and PAC's filings, PEU believes that result would be unlikely. However, PEU will continue to closely monitor party positions in DW 23-101 and DW 23-088 and will be prepared to promptly file its individual rate case if it needs such revenue protections.

Conclusion

10. In conclusion, because withdrawal of the instant PEU rate case would allow parties to focus their attention more efficiently on the request to consolidate rates and on the merger docket, and because the 2022 test year and notice to customers are stale, PEU respectfully requests the Commission allow PEU to withdraw the instant rate case without prejudice. Should PEU need to file an individual rate case, PEU requests the Commission allow PEU to re-notice and re-file its rate case using a more current test year.

11. PEU has contacted parties and stakeholders for their positions. The Office of the Consumer Advocate, Town of Litchfield, Town of Londonderry, and Town of Bedford assent to the motion. The Department of Energy “takes no position on this motion”.

WHEREFORE, for the reasons stated above, PEU respectfully requests that the Commission:

- A. Allow PEU to withdraw its instant rate case, without prejudice; and
- B. Grant such other relief as is just and equitable.


Respectfully submitted,

PENNICHUCK EAST UTILITY, INC.

By its Attorney,

N.H. Brown Law, PLLC

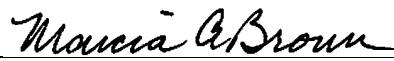
Date: January 29, 2024

By: 
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Certificate of Service

I hereby certify that a copy of this motion has been emailed this day to the Docket-Related Service Lists for this proceeding as well as for Docket No. DW 23-088 and Docket No. DW 23-101.

Date: January 29, 2024


Marcia A. Brown, Esq.