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April 17, 2024

Chairman Daniel C. Goldner
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, New Hampshire 03301

Re: DW 24-062, Mill Brook Village Water System; Request for Change in Rates

Dear Chairman Goldner:

Pursuant to RSA 12-P:2, IV, please accept this letter as the New Hampshire Department of Energy's (DOE) recommendation to the New Hampshire Public Utilities Commission (Commission) in the above-referenced matter. This letter is in response to the Commission's procedural order issued on April 12, 2024, requesting that the DOE file a review and recommendation of Mill Brook Village Water System's (Mill Brook) filing in this docket by April 26, 2024.

On April 1, 2024, Mill Brook, located in Thornton, New Hampshire, submitted a proposed Fourth Revised Page 6 to its tariff for approval by the Commission. Mill Brook made its submission per a Stipulation Agreement approved by Commission Order No. 25,754 (January 14, 2015) in Docket No. DW 14-176. The Stipulation Agreement allows Mill Brook to re-allocate its approved revenue requirement of \$23,568 according to a specific agreed-upon and Commission-approved formula each time new customers are added to the water system. Specifically, Section II.E., titled "Adjustment to Rate Without Rate Proceeding," of the approved Stipulation Agreement states:

“. . . the Settling Parties agree and recommend that, in the event any new customers connect to the system and begin taking service, Millbrook Village agrees to file a revised tariff rate page within 15 days of any customer being connected. A new water service rate shall be calculated and filed using the revenue requirement recommended in this Settlement Agreement, \$23,568, divided by the new number of customers, and then divided by four for the new quarterly rate. This new rate is to be effective for service rendered on and after the first day of the quarter within which one or more new customers are connected. The Settling Parties agree and recommend that the revenue requirement in this stipulation will not change as a result of this provision, and that Millbrook Village is not entitled to seek recovery of any additional costs it may have occurred [sic] since the January 1, 2015 effective date of rate recommended herein. For clarification, the Settling parties intend that the customer rate under this provision will change in the future solely based on the number of customers taking service. Nothing in this provision precludes Millbrook Village from filing a full rate proceeding at any time, consistent with applicable law and regulations of the Commission.”¹

¹ Tab 12, Docket No. DW 14-176

In its order approving the Stipulation Agreement, the Commission stated that, “[b]y timely re-allocating the revenue requirement across a greater number of customers without any other adjustments...customers are protected from paying more than their fair share of the costs of service.” The Commission further noted that the rate adjustment provision of, “timely re-allocating the revenue requirement across a greater number of customers without any other adjustments,” was unique, but was, “a just and reasonable resolution given the circumstances of this very small water system.”²

This is the third tariff revision that Mill Brook has filed since the original tariff authorized by the Commission in Docket No. DW 14-176. Mill Brook’s previous tariff revision resulting in Third Revised Page 6 was accepted by the Commission through Order No. 26,831, dated May 31, 2023.³ That tariff revision was determined based on a new number of 43 customers and resulted in a quarterly rate of \$137.02 ($\$23,568 \div 43 \div 4$). Mill Brook’s proposed Fourth Revised Page 6 is based on a new number of 44 customers and results in a quarterly rate of \$133.91 ($\$23,568 \div 44 \div 4$). The DOE confirmed Mill Brook’s revised customer count reflects one additional customer than its recently filed 2023 NHPUC Annual Report.⁴

According to the concluding paragraph of James Ingram’s (Mill Brook’s owner) March 29, 2024, letter (see Attachment A to this correspondence), all customers were notified of this decrease in their water rate via a note included with their first quarterly invoice that was mailed on March 15, 2024, in addition to an email sent to these customers on March 21, 2024. As such, based upon that information and Section II.E. of the approved Stipulation Agreement in DW 14-176, the DOE affirms that the proposed rate of \$133.91 indicated in Fourth Revised Page 6 is appropriate.

The DOE recommends that, pursuant to Section II.E of the Stipulation Agreement and Commission Order No. 25,754, which approved the terms of that agreement and formula for re-allocating the approved revenue requirement when new customers are added to the system, the Commission approve the proposed Fourth Revised Page 6 and close this docket.

Sincerely,

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

cc: Service List

Enclosure: Attachment A

² See Commission Order No. 25,754 (January 14, 2015), Tab 15, Docket No. DW 14-176

³ See Tab 7, Docket No. DW 23-042

⁴ See Page 6, Schedule A-6, Mill Brook Village Water System 2023 NHPUC Annual Report

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