

DG 00-063

ENERGYNORTH NATURAL GAS, INC.

Revenue Neutral Rate Redesign

Order Authorizing Recovery of Rate Case Expenses

O R D E R N O. 23,692

April 30, 2001

The New Hampshire Public Utilities Commission (Commission), by Order No. 23,675, issued April 5, 2001, in Docket DG 00-063, approved a Settlement Agreement addressing EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England (KeySpan) revenue neutral rate redesign. The Settlement Agreement provided:

The Parties and Staff agree that KeySpan will recover the reasonable and prudent expenses pertaining to the rate redesign proceeding. The Parties and Staff agree that one-half of this amount will be recovered from all delivery and sales customers and that one-half of this amount will be recovered solely from C&I delivery and sales customers. The Parties and Staff agree that this amount will be recovered from customers, via a per therm charge as a surcharge through the Local Delivery Adjustment Clause (LDAC). The amount of this surcharge is not included with this Agreement, but will be provided as part of KeySpan's compliance filing in this docket.

Order No. 23,675 provided that:

We shall require KeySpan to file with the Commission by April 13, 2001 a summary of its rate case expenses broken down into major components and to provide copies of all invoices for costs which KeySpan seeks to recover. KeySpan shall also include in its filing the calculation of the per therm surcharge that would result from recovery scenarios from one to three years. The Commission will issue a subsequent order addressing the rate case expenses once the Staff has conducted a review and audit of the

expenses and determined the rate impact of the surcharge.

On April 16, 2001, KeySpan submitted its summary of the rate case expenses and the calculation of the per therm surcharge. On April 24, 2001, KeySpan filed with the Commission the invoices supporting its rate case expenses which it had shared earlier with Commission Staff (Staff). On April 27, 2001, KeySpan filed updated rate case expenses and per therm surcharges. KeySpan's total rate case expenses amounted to \$217,864.

On April 27, 2001, Staff filed a memorandum containing Staff's recommendation regarding KeySpan's rate case expenses. Staff stated that it had reviewed the invoices supporting the rate case expenses and found the expenses to be reasonable. Staff recommended, consistent with the Commission's approval of the Settlement Agreement, that the Commission approve a rate case expense surcharge of \$0.0009 per therm for Residential rate classes to be recovered in KeySpan's LDAC. The \$0.0009 per therm surcharge $((\$217,864 * 50\%) / 123,268,543 \text{ total therm throughput})$ would be recovered over a one-year period and would be applied to all sales and delivery customers with the exception of special contract customers. The \$0.0009 per therm surcharge equates to approximately \$1.13 for a typical Residential heating

customer using 1,250 therms over one year. Additionally, the remaining one-half of the rate case expenses will be recovered from all Commercial and Industrial (C&I) customers, with the exception of special contract customers, through KeySpan's LDAC. This results in an additional \$0.0016 per therm surcharge $((\$217,864 * 50\%) / 68,114,243 \text{ C\&I therm throughput})$ for C&I customers. The C&I surcharge totals \$0.0025 per therm which would also be recovered over a one-year period.

We have reviewed Staff's recommendation and will approve recovery of \$217,864 in rate case expenses over the one-year recovery period recommended by Staff.

Based upon the foregoing, it is hereby

ORDERED, that KeySpan is AUTHORIZED to recover \$217,864 in rate case expenses via a per therm surcharge through KeySpan's LDAC and that the surcharges are as follows: \$0.0009 per therm from Residential rate classes and \$0.0025 per therm from Commercial and Industrial rate classes, both for a period of one year, effective with service rendered on or after May 1, 2001; and it is

FURTHER ORDERED, that KeySpan shall file a properly annotated tariff with the Commission within 14 days of the date of this order in accordance with N.H. Admin. Rules, Puc 1603.

By order of the Public Utilities Commission of New
Hampshire this thirtieth day of April, 2001.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary