

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

IR 20-089

NEW HAMPSHIRE PUBLIC UTILITIES

**Investigation into the Effects of the COVID-19 Emergency
on Utilities and Utility Customers**

Order Clarifying Order No. 26,495

ORDER NO. 26,515

September 7, 2021

In this order, the Commission affirms Order 26,495; incremental bad debt and waived late payment fees are not broadly authorized to be classified as regulatory assets, while the utilities may seek recovery in an upcoming rate case. The Commission is not opining on any future rate impacts of incremental bad debt and waived payment fees. The Commission clarifies Order No. 26,495 does not foreclose rate-regulated utilities from utilizing accounting mechanisms to defer costs in order to seek recovery in a future rate proceeding.

I. PROCEDURAL HISTORY

On July 7, 2021, the Commission issued Order No. 26,495 in the instant docket. In Order 26,495, the Commission declined to authorize New Hampshire's rate-regulated utilities' establishment of a regulatory asset for incremental bad debt or waived late payment fees related to the COVID-19 pandemic, stating that these costs will be addressed in each utility's next rate case. Order 26,495 also contained a reporting requirement.

On August 6, 2021, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource); Liberty Utilities (EnergyNorth Natural Gas) Corp. and Liberty Utilities (Granite State Electric) Corp., both d/b/a Liberty (Liberty); as well as

Unitil Energy Systems, Inc. and Northern Utilities, Inc., both d/b/a Unitil (Unitil) moved for rehearing of Order 26,495.

II. POSITIONS OF THE MOVANTS

A. Eversource

Eversource moved for rehearing on three grounds: 1) Order 26,495 was made without proper notice and an opportunity to be heard; 2) Order 26,495 is based on mistaken assumptions and conclusions; and 3) Order 26,495 creates barriers to accomplishing the goals it seems to permit. Eversource noted the instant docket provided notice that the Commission intended to consider changes to existing policies and practices, not to review or adjudicate issues pertaining to the collection of costs.

Relating to notice, Eversource argued its due process rights were violated because Order 26,495 denied it the ability to defer and/or seek recovery of legitimate costs. Regarding the merits of Order 26,495, Eversource argued that because its next distribution rate case test year would not capture the impacts associated with the COVID-19 public health emergency orders and directives, that Order 26,495 instituted a rate decrease. Eversource went on to argue that such an order results in unequal treatment of identical costs based on the timing of utility companies' rate cases, resulting in an arbitrary and unfair order. Eversource also argued that Order 26,495 failed to explain its reasoning, in violation of RSA 363:17-b, III.

B. Liberty

Liberty joined in Eversource's motion, incorporating its arguments. Liberty stated it was similarly situated to Eversource with respect to the timing of its next rate case. In addition to joining Eversource's motion, Liberty requested the Commission stay the reporting requirements established in Order 26,495, because it would be administratively wasteful to produce if reconsideration of Order 26,495 were denied.

C. Unitil

Unitil joined in Eversource's motion, and submitted additional comments. According to Unitil, Order 26,495 effectively imposed a rate decrease without the requisite determination pursuant to RSA 378:7 that the current rates were "unjust and unreasonable."

Unitil stated that Unitil Energy Systems, Inc. is presently in a rate case, and requested clarification that it is not prohibited from seeking recovery of incremental bad debt and waived late fees resulting from the COVID-19 public health emergency in that matter. Additionally, Unitil requested clarification of the purpose of the reporting requirements imposed by Order 26,495, arguing that the specific data requested does not capture the complete picture of the disconnection moratorium's impacts on its finances.

III. COMMISSION ANALYSIS

Pursuant to RSA 541:3, the Commission may grant rehearing or reconsideration when a party states good reason for such relief. Good reason may be shown by identifying new evidence that could not have been presented in the underlying proceeding, *O'Loughlin v. N.H. Personnel Comm'n*, 117 N.H. 999, 1004 (1977), or by identifying specific matters that were "overlooked or mistakenly conceived" by the Commission, *Dumais v. State*, 118 N.H. 309, 311 (1978). A successful motion for rehearing does not merely reassert prior arguments and request a different outcome. *Abenaki Water Company, Inc. – Rosebrook Water System*, Order No. 26,312 at 8 (November 27, 2019).

We deny rehearing as to the request that the rate-regulated utilities be authorized to establish a regulatory asset for incremental bad debt and waived late payment fees in this docket. The scope of notice and the data collected in this docket

are insufficient to justify such a broad order applicable to all New Hampshire rate regulated utilities. We clarify that rate-regulated utilities are not foreclosed from using accounting mechanisms to defer realization of costs related to incremental bad debt and waived late payment fees for consideration in a future rate case. Deferred accounting treatment for costs related to the COVID-19 public health emergency orders and directives does not, in itself, constitute approval of ultimate recovery of those costs.

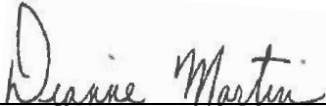
Addressing Unitil's specific request for clarification, an ongoing rate case is an appropriate venue to address incremental bad debt and/or waived late payment fees resulting from the COVID-19 public health emergency orders and directives.

Addressing concerns from Liberty and Unitil regarding the reporting requirements contained in Order 26,495, we clarify that those requests for information were investigative in nature and issued by the Commission pursuant to its authority under RSA 374:3, RSA 374:4, and RSA 365:5. Given that the filing deadline has passed and the requested filings have been made, Liberty's request for suspension of that provision is denied as moot.


Based upon the foregoing, it is hereby

ORDERED, that the Motion for Rehearing is DENIED, and Order 26,495 is clarified as set forth in this order.

By order of the Public Utilities Commission of New Hampshire this seventh day of September, 2021.



Dianne Martin
Chairwoman



Daniel C. Goldner
Commissioner

Service List - Docket Related

Docket# : 20-089

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