

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 22-058

BEDFORD WASTE SERVICES CORPORATION

Request for Change in Rates

Order on Temporary Rates

ORDER NO. 26,793

March 29, 2023

In this order, the Commission authorizes Bedford Waste Services Corporation (Bedford Waste, or the Company) to implement temporary rates set at 16.19 percent above current rates, effective November 17, 2022, on a service-rendered basis. As a result, the average bill for a metered customer will increase by \$25.22 per quarter, or \$100.86 per year, until the conclusion of this general rate proceeding. The temporary rates will be subject to reconciliation back to November 17, 2022, based on the outcome of the permanent rate case.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at www.puc.nh.gov/Regulatory/Docketbk/2022/22-058.html.

I. PROCEDURAL HISTORY

On September 15, 2022, Bedford Waste filed a notice of intent to file proposed rate schedules. On October 17, 2022, the Company filed a petition for a change in permanent rates pursuant to RSA 378:28 with a request for approval of temporary rates pursuant to RSA 378:27. In support of its filings, the Company provided pre-filed testimony of Stephen P. St. Cyr. The New Hampshire Department of Energy (DOE) filed a notice of appearance on November 17, 2022.

The Commission issued Order No. 26,717 suspending the proposed rates tariff and scheduling a prehearing conference that was held on December 14, 2022. On March 16, 2023, Bedford Waste and DOE filed a settlement agreement on temporary rates (Settlement). A hearing on the Settlement was held on March 23, 2023. The Office of the Consumer Advocate did not enter an appearance. No interventions were filed.

II. PETITION REQUEST FOR TEMPORARY RATES

In its petition, Bedford Waste requested a temporary revenue increase of \$9,469, an increase of 18.85 percent, effective November 15, 2022. *See* Direct Testimony of Stephen St. Cyr on Temporary Rates, October 17, 2022, at Temp. 20. According to Mr. St. Cyr, the proposed temporary rate increase would be approximately 50 percent of the requested permanent rate increase and was designed to lessen the impact of the permanent rate increase. *Id.* at Temp. 10. Based on the Company's initial proposal, the average customer's annual bill would increase by 18.85 percent from \$623.08 to \$740.53, effective November 15, 2022. Petition at Temp. 20. In support of its request for temporary rates, Bedford Waste testified that it has been approximately 17 years since its last rate case. St. Cyr Testimony for Temporary Rates at Temp. 11, line 1.

III. SETTLEMENT AGREEMENT ON TEMPORARY RATES

The Settlement reached by Bedford Waste and DOE resulted in the following changes to the Company's initial request for temporary rates:

- (1) temporary rates are proposed to be set at 16.19 percent over existing base rates, increasing Bedford's annual revenue requirement from \$48,292, as recognized by the Company in 2021, to \$56,467, resulting in an increase

of \$100.86 (or \$25.22 per quarter) in the current annual charge per customer from \$623.08 (\$155.77 per quarter) for an annualized temporary charge per customer of \$723.94 (or \$180.99 per quarter);

(2) a return on rate base of 6.8 percent will be used, in lieu of Bedford's originally requested 8 percent;

(3) an additional \$1,882 is included in the Company's Accumulated Depreciation account in recognition of the Company's proposed pro forma adjustment of the same amount to the initial Depreciation Expense account total in its petition, resulting in a decrease in rate base from \$97,148 to \$95,266.

As a result of adjustments (2) and (3), above:

(4) Bedford's Operating Income Requirement has been reduced by \$1,294 from \$7,772, as originally proposed by the Company, to \$6,478.

The Settling Parties further agreed that:

(5) the effective date for temporary rates should be November 17, 2022, on a service-rendered basis; and

(6) temporary rates should be subject to reconciliation, pursuant to RSA 378:29, after the final determination of permanent rates by the Commission.

IV. COMMISSION ANALYSIS

Pursuant to RSA 378:27, the Commission may approve temporary rates for the duration of a rate proceeding if the Commission finds that the public interest so requires and the reports of the public utility filed with the Commission indicate that the proposed temporary rates are reasonable. The standard for approval of temporary rates, which are reconcilable, is less stringent than that for permanent rates. *Appeal of*

Office of Consumer Advocate, 134 N.H. 651, 660 (1991) (citing *New Eng. Tel. & Tel. Co. v. State*, 95 N.H. 515, 518 (1949)).

The Commission encourages parties to settle disagreements through negotiation and compromise as an opportunity for creative problem solving. *Hampstead Area Water Company, Inc.*, Order No. 26,131 at 3 (May 3, 2018). Nonetheless, the Commission cannot approve a settlement, even when all parties agree, without independently determining that the result comports with applicable standards. *Id.*

Bedford Waste initially proposed a temporary increase of \$9,469, or 18.85 percent, above its 2021 annual revenue requirement. The Settlement requests approval of a 16.19 percent increase in the revenue requirement from current rates. We find, based on the Company's annual reports and books and records filed with the Commission, that such temporary rates are sufficient to earn not less than a reasonable return. RSA 378:27. The resulting increase in customer bills, while not insignificant, is reasonable under the circumstances, including the fact that the Company's last general rate increase was approved almost 18 years ago, in 2005. *See Re Bedford Waste Services Corporation*, Order No. 24,479 (July 1, 2005). We further find that Bedford Waste and its customers are protected by the rate reconciliation mechanism pursuant to RSA 378:29. Accordingly, we find the Settlement result to be just and reasonable and in the public interest. Puc 203.20(b).

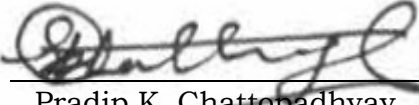
Based upon the foregoing, it is hereby

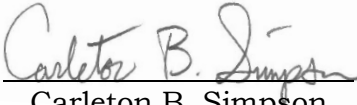
ORDERED, that the Settlement Agreement on temporary rates is **APPROVED** as set forth herein above; and it is

FURTHER ORDERED, that the temporary rates will be effective for service-rendered on November 17, 2022, subject to reconciliation pursuant to RSA 378:29 at the conclusion of Bedford Waste Services Corporation's permanent rate proceeding in this docket; and it is

FURTHER ORDERED, that Bedford Waste Services Corporation shall file with the Commission properly annotated revised tariff pages consistent with this order within 15 days of the date of this order, as required by N.H. Admin. R., Puc 1603.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of March 2023.


Pradip K. Chattopadhyay
Commissioner


Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 22-058

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