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**STATE OF NEW HAMPSHIRE**  
**BEFORE THE**  
**NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**  
  
**RE: CONCORD STEAM CORPORATION**  
  
**DG –16-294**  
  
**PREFILED DIRECT TESTIMONY**  
**OF**  
**PETER BLOOMFIELD, P.E.**  
**IN SUPPORT OF TEMPORARY RATES**

**March 17, 2016**

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Q: Please state your name and address.

A: My name is Peter G. Bloomfield. My business address is P.O. Box 2520, Concord, New Hampshire 03302.

Q: How are you associated with Concord Steam Corporation?

A: I am President of Concord Steam Corporation (the "Company").

Q: Please describe your education and professional background.

A: I graduated from Union College in 1976 with a BS in Mechanical Engineering. I am a registered Professional Engineer in NH, NY, and Colorado. I have been employed as an engineer in the steam and power industry since college. I became president of the Company in the fall of 1986.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to provide support for the Company's request for an increase in its temporary rates in this case. I have presented documents and other information in support of the Company's permanent rate request, and explained the development of the revenue requirement and the calculation of proposed rates in that filing.

Q: Please describe the Company and its customers.

A: Concord Steam provides district steam service from its facility at Pleasant Street in Concord, New Hampshire, and is the only steam utility in New Hampshire. It has approximately 85 customers, all of which are located in the City of Concord. The Company has one residential customer, the remainder are all commercial or institutional customers.

Q: When did the Company last change its usage rates?

A: The Company's last usage rate case was in 2012 (DG 12-242); the rates established in that proceeding became effective May 1, 2013, pursuant to Order No. 25,499. There have been no changes in the Company's usage rates since then.

1 Q: Why is the Company filing this rate case?

2 A: The Company is filing this rate case because its adjusted rate of return for the test  
3 year of 2015 was 0.04%.

4 Q: What has caused the Company to under earn?

5 A: The largest increases in expenses have been in property taxes and insurance. The  
6 Company's test year operating expenses are summarized in Schedule 1. There  
7 has also been a 4% decrease in the amount of steam sold, even after allowing for  
8 weather corrections, which reduces our usage rate income.

9 Q: Why is the Company seeking temporary rates?

10 A: The Company has requested temporary rates because it is substantially under-  
11 earning while continuing to incur increased operating costs. Unless the  
12 Company has an opportunity to recover some of these increased costs before the  
13 end of this heating season, its earnings will erode even further.

14 Q: What is the temporary rate increase that the Company is requesting?

15 A: The Company is requesting that the Commission set temporary rates at 12.8%  
16 above the currently approved rates.

17 Q: How does this compare to the permanent rates the Company is seeking in this  
18 case?

19 A: The Company has requested an 12.8% increase in its permanent rates, and has  
20 requested the same increase in temporary rates.

21 Q: Why can't the Company wait until permanent rates are set and reconcile the  
22 increase through a surcharge on customers' bills?

23 A: The Company sells steam as a source of heat. As a result, the significant majority  
24 of the steam it sells is sold during the winter months. While the Company does  
25 sell steam during the summer, it has significantly fewer customers in the summer  
26 months. If the Company waits to increase its rates until permanent rates are set  
27 in this case, the heating season will have passed, and any increase in revenue will  
28 be based on a much lower volume of steam. We believe that without temporary  
29 rates as requested in this filing, the Company will not have the opportunity to  
30 achieve its allowed return until late in 2017.

1 Q. Does the Company seek to apply the temporary rate to all customers?

2 A. Yes. The Company seeks to implement temporary rates proportionately across  
3 all customer classes.

4 Q. When is the Company requesting that temporary rates be effective?

5 A. The Company has requested that the temporary rates take effect April 1, 2016 on  
6 a service rendered basis, or the date on which customers are notified, whichever  
7 is sooner.

8 Q: Does this conclude your direct testimony?

9 A: Yes, it does.

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