

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 20-153

PITTSFIELD AQUEDUCT COMPANY, INC.

Request for Change in Rates

Order on Temporary Rates

ORDER NO. 26,466

April 8, 2021

APPEARANCES: NH Brown Law, by Marcia A. Brown, Esq., on behalf of Pittsfield Aqueduct Company, Inc., and Lynn Fabrizio, Esq., on behalf of Commission Staff

In this order, the Commission authorizes Pittsfield Aqueduct Company, Inc. to implement temporary rates set at the level of its current rates, on a service rendered basis, effective December 17, 2020. As a result, the average bill for a metered customer will remain unchanged until the conclusion of this general rate proceeding. The temporary rates will be subject to reconciliation back to December 17, 2020, based on the outcome of the permanent rate case.

I. PROCEDURAL HISTORY

On November 16, 2020, Pittsfield Aqueduct Company, Inc. (PAC) filed a petition seeking a permanent rate increase for all customer classes, and further modification to its current ratemaking structure. PAC requested an increase of \$91,053 to its test year earnings of \$771,874, an 11.18 percent increase in its revenue requirement, to be effective December 17, 2020. As part of its petition for a permanent rate increase and pursuant to RSA 378:27, the Company requested temporary rates set at current rates, to be effective as of December 17, 2020. The Company's petition included supporting testimony and proposed revised tariff pages with an

effective date of December 17, 2020. On December 2, 2020, the Company filed a corrected copy of its petition.

The Commission issued Order No. 26,435 on December 16, 2020, suspending PAC's proposed tariff for eighteen months and scheduled a prehearing conference for January 20, 2021. The Company stated that it intended to mail a hard copy of the customer notice to each of its customers by November 25, 2020. On December 17, 2020, PWW published the Commission's Order on its website and posted a customer notice on the Company's website. The Company filed its report of customer notice of publication on that same day.

A prehearing conference was held on January 20, 2021. On January 22, 2021, Staff filed a proposed procedural schedule, including a hearing on temporary rates to be held on March 10, 2021. The Commission issued a secretarial letter approving the proposed schedule on January 26, 2021.

On February 17, 2021, the Company filed a settlement agreement reached between the Company and Staff regarding temporary rates (Settlement Agreement). A hearing on the Company's petition for temporary rates and the Settlement Agreement was held on March 10, 2021.

PAC's request for permanent and temporary rates, and related docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at <https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-153.html>.

II. POSITIONS

A. Pittsfield Aqueduct Company, Inc.

As depicted at Tab 12 of PAC's rate filing, the Company contends that its rate of return, calculated in accordance with its currently approved ratemaking model for the test period, was

1.44 percent, compared to an authorized rate of return of 3.81 percent. According to the Company, its rates were last found to be just and reasonable in 2013. The 11.18 percent increase that Pittsfield Aqueduct Company is seeking in its revenue requirement will apply uniformly to the General-Metered, Private Fire, and Public Fire Protection Hydrant customer classes. The Company requests that the current rates be set as temporary rates pending the final outcome of this proceeding.

B. Staff

Staff noted that the Company's proposed revenue increase of 11.18 percent is fairly substantial for a company that serves approximately 640 customers; however, Staff also recognized that the Company's last general rate increase occurred approximately seven years ago. Staff testified at the hearing on temporary rates that the proposed temporary rates included in the Company's proposal and the Settlement Agreement are just and reasonable. Staff also stated that it would be reviewing the Company's request for approval of certain proposed modifications to PAC's current ratemaking mechanism that will mirror those approved by the Commission for its sister utilities, Pennichuck Water Works and Pennichuck East Utility.

III. 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)).

A. Temporary Rates

The Settlement Agreement requests that the Commission approve temporary rates at the level of current rates. The Settling Parties agreed that based on the Company's filing as well as its books and records on file at the Commission, PAC's current revenues are deficient. Taking into consideration that temporary rates will be set at current rates, and that customers thus will not experience a bill increase at this time, we find that temporary rates set at current rates are just and reasonable under the circumstances. Accordingly, we find the Settlement Agreement to be just and reasonable and in the public interest, and approve the temporary rate request, subject to reconciliation at the conclusion of the permanent rates proceeding in this docket.

B. Effective Date

We next consider the effective date. RSA 378:27 permits the Commission to authorize effective dates as early as the filing date of the petition for a permanent rate change. See *Appeal of Pennichuck Water Works*, 120 N.H. 562, 567 (1980) (filing date is earliest date on which PUC may order temporary rates to take effect). Through the Settlement Agreement, the Company, in agreement with Staff, requested that the effective date be set on December 17, 2020, the date the Company's filing requested permanent rates go into effect. We find the proposed effective date to be reasonable.

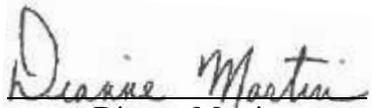
Based upon the foregoing, it is hereby

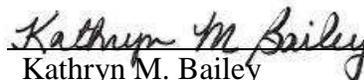
ORDERED, that the Settlement Agreement on temporary rates is APPROVED; and it is

FURTHER ORDERED, that the temporary rates will be effective for service-rendered on December 17, 2020, subject to reconciliation pursuant to RSA 378:29 at the conclusion of the Pittsfield Aqueduct Company, Inc., permanent rate proceeding; and it is

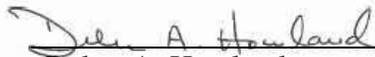
FURTHER ORDERED, that Pittsfield Aqueduct Company, Inc., shall submit to the Commission properly annotated tariff pages consistent with this order within 15 days of the date of this order, as required by N.H. Admin. R., Part Puc 1603.

By order of the Public Utilities Commission of New Hampshire this eighth day of April, 2021.


Dianne Martin
Chairwoman


Kathryn M. Bailey
Commissioner

Attested by:


Debra A. Howland
Executive Director

Service List - Docket Related

Docket#: 20-153

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