

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 09-139

CONCORD STEAM CORPORATION

Petition for Permanent Rate Increase

**Order Suspending Proposed Tariff and Scheduling Prehearing Conference
and Temporary Rate Hearing**

ORDER NO. 25,012

September 14, 2009

On September 4, 2009, Concord Steam Corporation (Concord Steam or Company) filed with the Commission a petition for an increase in its distribution revenues of \$341,940, or 6.53%, annually. This increase would be spread proportionally among the three tiers of the Company's declining block rate structure. In addition, the petition seeks temporary rates equal to the distribution rate increase for service rendered on and after November 1, 2009, or the date on which customers are notified, whenever is sooner. Also, the petition seeks waivers of certain filing requirements of New Hampshire Code of Administrative Rules Puc 1604.01(a).

Concord Steam states that during the test year ending December 31, 2008, it earned a return of negative 5%, despite an authorized rate of return of 8.04%. *See Concord Steam Corp., Order No. 24,866 (June 27, 2008)*. According to the Company, the low return is due to its loss of sales, coupled with inflation and increases in interest expenses and insurance costs. While the meter and energy charges would remain unchanged, the Company's block rates would, if its proposal is adopted, change as follows:

Steam Usage Rate	Current Rate	Proposed Rate
First 500 Mlbs per month	\$15.87	\$18.54
500 – 2000 Mlbs per month	\$13.93	\$16.27
2000 or more Mlbs per month	\$11.54	\$13.48

The Company contends that it could, under traditional rate making principles, request a rate increase of over \$760,000, or about 16% annually, based upon its plant in service. It is, however, requesting a smaller increase in order to remain competitive with other service providers. To that end, the Company's proposed overall rate of return is 1.5%.

In support of its petition for temporary rates, Concord Steam contends that because a significant portion of its steam sales are in the winter heating months, delaying any rate increase will harm its return because it will be based on a lower volume of steam sales. Therefore, it contends, its temporary rates ought to be set at the level of its permanent rate request because to set the temporary rate lower pending the resolution of the permanent rate request "would result in not earning our allowable return until late 2010."

RSA 378:6 provides that pending any investigation of a rate schedule which represents a general rate increase, the Commission may suspend the taking effect of such tariff filing for up to 12 months in order to investigate whether the proposed rates are just, reasonable and otherwise consistent with applicable law. We determine that such suspension and investigation are necessary under RSA 378:6.

The filing raises, *inter alia*, issues related to whether the proposed permanent rates are just, reasonable and lawful pursuant to RSA 378:7; whether the proposed rates yield a reasonable return on the cost of Concord Steam's property that is prudent as well as used and useful in the

public service pursuant to RSA 378:27 and :28; whether the rate design and rate of return proposed by Concord Steam are fair and equitable; and whether temporary rates on the terms proposed by Concord Steam are appropriate, and if so, how any recoupment or refund, if appropriate, should be implemented.

Each party has the right to have an attorney represent them at their own expense. The filing and other docket entries may be viewed on the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2009/09-139.htm>.

Based upon the foregoing, it is hereby

ORDERED, that the proposed tariff pages for steam service filed by Concord Steam be, and hereby are, suspended pursuant to RSA 378:6, I(a) pending investigation and further order by the Commission; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, and hearing on the petition for temporary distribution rates be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 15, 2009 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the noticed issues, including the matter of temporary rates; and it is

FURTHER ORDERED, that Concord Steam, the Staff of the Commission and any interested parties hold a Technical Session at the Commission on October 8, 2009 at 9:00 a.m. to review the petition and allow Concord Steam to provide any amendments or updates to its filing; and it is

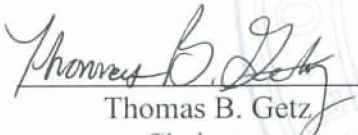
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, Concord Steam shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 17, 2009, in a newspaper with general circulation in


those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 15, 2009; and it is

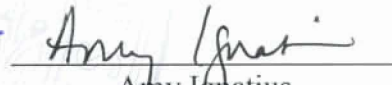
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Concord Steam and the Office of the Consumer Advocate on or before October 9, 2009, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32, I(b); and it is

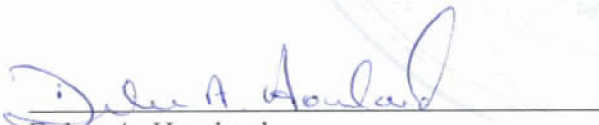
FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 15, 2009.

By order of the Public Utilities Commission of New Hampshire this fourteenth day of September, 2009.


Thomas B. Getz
Chairman


Clifton C. Below
Commissioner


Amy Ignatius
Commissioner


Debra A. Howland
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.