

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 16-294

CONCORD STEAM CORPORATION

Petition for Permanent Rate Increase

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

ORDER NO. 25,883

April 20, 2016

On March 17, 2016, Concord Steam Corporation (Concord Steam), a public utility providing service to customers in Concord, filed with the Commission a petition for an increase in its annual revenue requirement of \$750,702, or 12.8%. On March 18, 2016, Concord Steam filed a companion waiver request from N.H. Code Admin. Rules Puc 1604.05(a) related to Concord Steam's failure to properly file a 30-day Notice of Intent to File Rate Schedules. Concord Steam indicates that this increase will be applied to its Usage rates for all customers taking service, spread proportionally among the three tiers of Concord Steam's block rate structure. In addition, the petition seeks temporary rates equal to the Usage rate increase (of \$750,702) for service rendered on or after April 1, 2016.¹ Concord Steam also seeks waivers of certain financial filing requirements of Puc 1604.01(a).

Concord Steam states that during the test year ending December 31, 2015, it earned a return of 0.04%. According to Concord Steam, this low return is due to its reduced revenues and increased expenses. If its proposed rate increase were adopted, Concord Steam's block Usage rates would change as follows:

¹ (Concord Steam's petition for temporary rates has one isolated reference to an increase in the amount of \$810,083, a likely typographical error).

Steam Usage Rate	Current Rate (per Mlb)	Proposed Rate (per Mlb)
First 500 Mlbs per month	\$21.50	\$27.52
500-200 Mlbs per month	\$20.34	\$26.36
2000 or more Mlbs per month	\$16.85	\$22.87

Concord Steam proposes a rate of return of 7.8%, based on a return on equity of 9.75%. In support of its petition for temporary rates, Concord Steam contends that its current rate of return earnings level of 0.04% is far short of its current allowed rate of return, which is 5.7%, as approved in Docket No. DG 12-242, by order No. 25,499 (April 25, 2013). Concord Steam asserts that allowance of the full requested rate increase is appropriate.

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 a 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. Furthermore, we grant Concord Steam's March 18, 2016, waiver request from Puc 1604.05(a) regarding the 30-day notice requirement, as the waiver would serve the public interest, and not disrupt the orderly and efficient resolution of matters before the Commission.

See N.H. Code Admin. Rules Puc 201.05. We will address Concord Steam's request for a waiver of Puc 1604.01(a) filing requirements in a later phase of this proceeding.

The filing raises, *inter alia*, issues related to whether the proposed permanent rates are just, reasonable, and lawful pursuant to RSA 374:2 and 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 RSA 378:28; whether the rate

design and rate of return proposed by Concord Steam are fair and equitable and allow for continued safe and reliable operations and maintenance of an adequate customer base; and whether temporary rates on the terms proposed by Concord Steam are appropriate, and if so, how any recoupment or refund should be implemented.

Each party has the right to have an attorney represent the party at the party's own expense. Concord Steam's petitions, and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2016/16-294.html>

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 it is

FURTHER ORDERED that the waiver request regarding the 30-Day Notice is **GRANTED**; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, and hearing on the petition for temporary rates be held before the Commission located at 21 S. Fruit Street, Suite 10, Concord, New Hampshire on May 25, 2016, at 9:00 a.m., at which each party will provide a statement of its position with regard to the petition and any of the noticed issues, including the matter of temporary rates; and it is

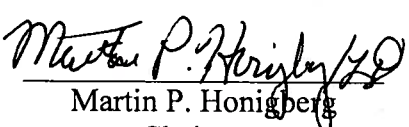
FURTHER ORDERED, that, immediately following the Prehearing Conference, Concord Steam, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow Concord Steam to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Code 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 May 11, 2016, 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 May 20, 2016; and it is

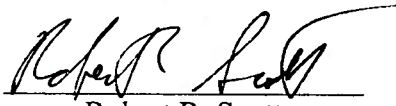
FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Concord Steam and the Office of the Consumer Advocate on or before May 20, 2016, 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. Code 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 May 25, 2016.

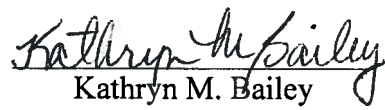
By order of the Public Utilities Commission of New Hampshire this twentieth day of April, 2016.



 Martin P. Honigberg
 Chairman



 Robert R. Scott
 Commissioner



 Kathryn M. Bailey
 Commissioner

Attested by:



 Debra A. Howland
 Executive Director