

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 23-020**

**HAMPSTEAD AREA WATER COMPANY, INC.**

**Request for Step II Adjustment**

**COMMENCEMENT OF ADJUDICATIVE PROCEEDING  
AND NOTICE OF PREHEARING CONFERENCE**

On March 17, 2023, Hampstead Area Water Company, Inc. (HAWC) filed a petition for a second step adjustment to its permanent rates pursuant to Order No. 26,635 in Docket No. DW 20-117. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-020.html>.

**I. BACKGROUND AND PROCEDURAL HISTORY**

On June 2, 2022, the Commission issued Order No. 26,635, which approved a settlement agreement on permanent rates between HAWC, the New Hampshire Department of Energy, the Office of the Consumer Advocate, the Town of Atkinson, and the Town of Hampstead. That order authorized HAWC to immediately increase its revenue requirement by \$298,319, for a total of \$2,540,482. *See* Order No. 26,635 (June 2, 2022) at 12–13. The order also authorized HAWC to implement two future step increases, referred to as the Step I Adjustment and the Step II Adjustment, subject to the Commission's future review and approval. *Id.* at 13–14; *see also* Settlement Agreement filed in Docket No. DW 20-117 on May 9, 2022 (Settlement Agreement) at 6–8. The Commission is currently adjudicating HAWC's request for the Step I Adjustment in Docket No. DW 20-117, with a hearing scheduled on the parties' proposed settlement on April 12, 2023.

As approved, the Step II Adjustment is meant to cover: (1) the costs associated with post-test year plant additions placed in service between January 1 through December 31, 2021; (2) post-test year plant retirements; and (3) various other operating income adjustments. Settlement Agreement at 7. Per the parties' settlement, the Step II Adjustment may not increase HAWC's revenue requirement by more than \$220,022 above the amounts authorized in the initial rate increase and Step I Adjustment. See Order No. 26,635 at 2. Accordingly, the Step II Adjustment would result in a total maximum revenue requirement of \$3,018,954. *Id.* Under the terms of the settlement, the associated rate changes cannot go into effect until June 16, 2023, at the earliest. *Id.* at 1. On March 17, 2023, HAWC petitioned for the implementation of the Step II Adjustment. In its March 17, 2023 petition, HAWC requested an increase to its revenue requirement of \$214,344.

## **II. ISSUES PRESENTED**

The filing presents, *inter alia*, the following issues: whether the plant additions HAWC constructed in 2021 were prudent, and used and useful, as required by RSA 378:28; whether HAWC appropriately calculated the proposed revenue requirement related to the 2021 investments, including, but not limited to, all calculations related to depreciation and the proper accounting of all revenue requirement categories; and whether the resulting rates are just and reasonable, as required by RSA 374:2, RSA 378:5 and RSA 378:7. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting the prehearing conference and any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for

why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

**Based upon the foregoing, it is hereby**

**ORDERED**, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 378:28, RSA 374:2, RSA 378:5 and RSA 378:7, and the Commission's procedural rules; and it is

**FURTHER ORDERED**, that the Commission will hold a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on May 2, 2023, from 9 a.m. to 12 p.m., at which each party should be prepared to address any of the issues set forth in N.H. Admin. R., Puc 203.15; and it is

**FURTHER ORDERED**, that during the prehearing conference, the Commission will consider the matters listed in Puc 203.15(c) and (d), including the establishment of a procedural schedule governing the remainder of the proceeding. Parties and potential parties are encouraged to facilitate the development of a procedural schedule by conferring prior to the prehearing conference, so that the presiding officer can address any matters on which there is disagreement during the prehearing conference. Any procedural schedule, however, will not be approved until after the prehearing conference and after consulting the Commission's calendar; and it is

**FURTHER ORDERED**, that, immediately following the prehearing conference, HAWC shall make appropriate personnel available for the parties to hold a technical session to review the filing; and it is

**FURTHER ORDERED**, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

**FURTHER ORDERED**, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to HAWC and any other parties on the service list, on or before April 21, 2023. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

**FURTHER ORDERED**, that any party objecting to a petition to intervene make said objection on or before April 28, 2023; and it is

**FURTHER ORDERED**, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

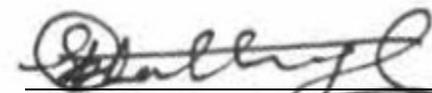
**FURTHER ORDERED**, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or [ClerksOffice@puc.nh.gov](mailto:ClerksOffice@puc.nh.gov). All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

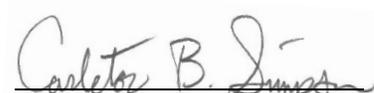
**FURTHER ORDERED**, that pursuant to N.H. Admin. R., Puc 203.12, HAWC shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before April 21, 2023. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

**FURTHER ORDERED**, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

So ordered, this sixth day of April, 2023.

  
Daniel C. Goldner  
Chairman

  
Pradip K. Chattopadhyay  
Commissioner

  
Carleton B. Simpson  
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the 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.

# Service List - Docket Related

Docket#: 23-020

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