

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

DW 10-134

ORDER OF NOTICE

On April 20, 2010, Hampstead Area Water Company, Inc. (HAWC) filed a motion to amend its petition for financing and for a step adjustment to rates as a result of additions to its plant-in-service. On February 2, 2007, by Commission Order No. 24,728 in Docket No. DW 06-104, the Commission approved HAWC's request to borrow up to \$267,299. A large portion of the funds were to be used to conduct a hydrology study related to HAWC's groundwater permit application to the Department of Environmental Services (DES) along with the purchase of three new vehicles and billing software. The Commission also approved HAWC's request for a step increase in its rates subject to review and approval by the Commission of the expenses associated with the step increase.

In the amended petition, HAWC now seeks to borrow a total of \$356,275. HAWC states that the increase is largely due to increased expenses associated with the DES permitting process. HAWC's motion and other filings in this docket, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission website at <http://www.puc.nh.gov/>.

HAWC calculates that financing \$356,275 will require a \$97,647, or 6.82%, increase to the revenue requirement approved in its last rate case, Docket No. DW 08-065. HAWC seeks to collect this increased revenue requirement through an increase to its Consumption Charge by \$0.43 per hundred cubic feet.

On May 4, 2010, the Office of the Consumer Advocate filed comments which raised a number of issues including, among others, whether HAWC's change in engineers may have resulted in duplicate and imprudent costs, whether the costs of its unproductive wells should be recovered, whether its use of in-house counsel may already be recovered in HAWC's general rates, and whether penalties are appropriate in that HAWC failed to abide by RSA 369:1 requiring Commission approval for financing of long term debt before incurring costs associated with the financing.

HAWC's filing raises, inter alia, issues related to: whether the request for approval was timely and the use of the proceeds is consistent with the public good pursuant to RSA 369; whether the proposed increased rates are just and reasonable pursuant to RSA 378; and whether a violation has occurred that should be subject to a penalty pursuant to RSA 365:41 and :42. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 29, 2010 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the motion and any of the issues set forth in N.H. Code Admin. R. Puc 203.15 shall be considered; and it is

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

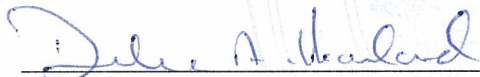
FURTHER ORDERED, that pursuant to N.H. Code Admin. R. Puc 203.12, HAWC shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than June 9, 2010, in a newspaper with general circulation in those portions of the

state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before June 29, 2010; 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 HAWC and the Office of the Consumer Advocate on or before June 24, 2010, 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 June 29, 2010.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of May, 2010.



Debra A. Howland
Executive Director

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.