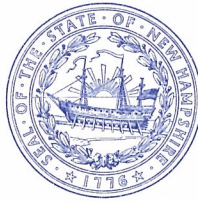


THE STATE OF NEW HAMPSHIRE

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Clifton C. Below
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AND SECRETARY
Debra A. Howland



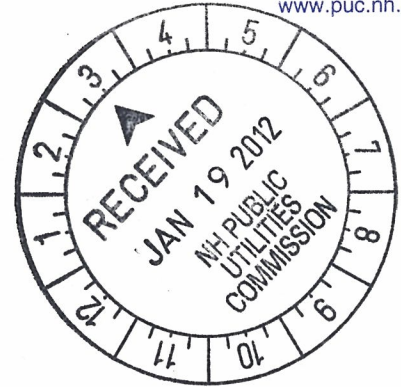
PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov



January 19, 2012

Debra A. Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

Re: DW 11-117, Rosebrook Water Company, Inc.
Petition to Use CIAC Funds for Capital Improvements and Subsequent Filing of
Tariff revisions
Staff Recommendation to Approve Tariff Revisions

Dear Ms. Howland:

On May 26, 2011, Rosebrook Water Company, Inc. (Rosebrook) filed a request to use funds from a Contributions In Aid of Construction (CIAC) account for capital improvements to its water system. These improvements would address deficiencies identified by the Department of Environmental Services (DES) in a Sanitary Survey dated October 22, 2010, as well as other longstanding system needs. Rosebrook provides service to some 400 customers within its franchise covering limited areas of the towns of Bethlehem and Carroll and the unincorporated township of Crawford's Purchase. Its customers comprise the Bretton Woods resort community, including the company's largest customer, the Mount Washington Hotel. The upgrades included, among other things replacing the water storage tank roof, providing permanent power to the tank level telemetry system, and installing pressure reducers, a backup submersible pump, and generator. The CIAC account was established by Order No. 23,441. See *Rosebrook Water Company Inc.* NH PUC 150 (2000). As of March 31, 2011, the balance in the fund was \$212,350; the proposed capital improvements were estimated to cost between \$200,550 and \$219,450.

On June 29, 2011, Staff filed a recommendation that Rosebrook be permitted to use the CIAC funds provided the funds be used only for the proposed improvements. By secretarial letter dated August 2, 2011, the Commission approved Rosebrook's request to use the CIAC funds as proposed. Staff's June 29 letter also raised the issue of Rosebrook's tariff and that, in a prior docket, certain aspects of the tariff appeared to require clarification and/or resolution. Staff and the Company representatives had met on March 25, 2011, and the issue

as customer obligations in providing and receiving water service was discussed. On August 15, 2011, Rosebrook filed with the Commission a revised tariff containing a number of non-water rate revisions including updating various fees. Rosebrook responded to a second Set of Data requests on December 14, 2011 concerning these revisions to its tariff. The following is a summary of the tariff revisions submitted by Rosebrook:

Rosebrook has added a **DEFINITIONS** section which provides definitions for terms used later within the tariff.

Under **Terms and Conditions, 1. Service Pipe**, a. Location, a section (3) was added which includes commercial buildings and describes the location and the number and manner in which various structures may be served. Under section b. (1) Single Family Homes, clarification was added regarding ownership of Company owned shutoff valves as well as customer ownership and responsibility for maintenance of service pipes. Sections (2) and (3) addressed clarification of Condominium and other Multifamily service pipe ownership and maintenance.

3. Maintenance of Plumbing. Additional language was added to specify that repairs must take place “as soon as possible” where leaks may occur within the customer’s areas of responsibility.

4. Meters. a. This section states the initial meter will be provided to the developer or homeowner by the Company. The meter and setting will be property of the Company (Staff Data Response 2-4). Section c. directs the owners to install pressure reducing valves and backflow preventers in accordance with Company requirements. Section d. has been changed to address the installation of remote outside meter readers. This is a new section and addresses the installation of remote meter readers to be provided by the Company. Section e. requires customers to keep remote readers accessible, including cleared of snow, landscaping and other obstruction. Section h. addresses the cost of meter testing. Rosebrook’s original revised submission for meter testing at \$150 or market rate was revised in its response to Staff data request 2-6 which the total meter testing fee increased the fee to \$225. Included in the fee was \$50 to test the meter, \$25 the cost of one idler, \$80 labor (2 hours) \$60 miscellaneous hardware and \$13 shipping and insurance. Staff and Rosebrook in discussions subsequent to the data response agreed to eliminate a specific reference to the \$50 meter charge and pass on the actual charge for the meter test from the outside vendor as Rosebrook does not test meters in-house, and the amount will vary with size of the meter.

7. Cross Connections. Additional language was added to this section to require businesses to install a cross connection backflow preventer in situations where the Company has determined there is a potential to contaminate the water system. Staff data response 2-7 cites examples which include the following: Soda fountains, Coffee makers connected to the water supply, Ice makers, Bars, Spars, and Pools.

8. Tampering. More specificity was included in the tampering section in describing Company owned facilities such as valves, grates, shutoffs, standpipes, hydrants, and the prohibition of operating such facilities by unauthorized personal. The Company included

that valves should not be paved over in roadways, shutoffs should be accessible and clear of trees, bushes and mulch, and that there should be a clear pathway to all hydrants. Additionally, only Company approved bypasses may be installed.

10. Landscape Repairs on Condominium Property. While this section states the Company will replace or repair landscaping or paving impacted by the Company's repairs to mains, piping or fittings located on condominium property, Rosebrook adds that the Company will not be liable for those landscaping or paving repairs which were required as a result of homeowner or association damage or alterations.

13. Payment for service. Section b. under Disconnection for Non-Payment, the Company increased from 45 days to 60 days the time period after which a bill was rendered when service may be interrupted or discontinued for non-payment. A new section d. was included which listed non-water fees including the following: Shut-off certified notice-\$15.00, Service connection, \$100.00, Penalty for Non-Sufficient funds - \$35, Pre-disconnection payment at premises - \$40, Service connection charge - \$100.00 Customer requested meter testing - \$225.00, Backflow preventer testing- actual expense to Company.

14. Applications for Service. This section simply added when authorizing the Company to enter a premise to perform water service, authorization can also be provided to the "Company's Agent".

15. Disconnection of Service. The Company has added to the list of reasons for disconnection, including non-payment consistent with section 13b, failure to maintain customer's property to allow ease of access for Company personnel, cross connecting specified in section 7, and any other activity which violates the terms of the tariff.

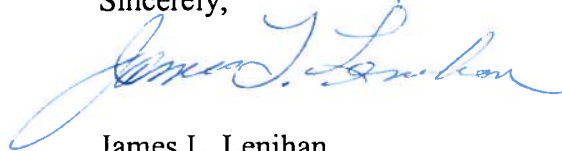
21. Main Pipe Extensions, The Company added to the title of this section so that it reads **Main Pipe Extensions/New Connections/New Construction.** The following language is added with respect to main extensions, pipes and associated facilities to serve new customers: "The developer shall also reimburse the Company for its cost to prepare agreements, review engineering plans, and inspect the new facilities." In 21.b.(2) Rosebrook added "and approve installation location and specifications prior to backfilling any trenches." Paragraph c. now begins with the sentence "To allow no one except Company to approve hook ups for hydrants or homes, and to establish connection."

Staff has reviewed the Company's revisions to the terms and conditions in its currently effective tariff and finds the changes to be reasonable and therefore recommends that the changes be approved. Staff has also reviewed the increases proposed to a number of non-water rate fees, and after investigation and review of Rosebrook's breakdown of the components of the fees as submitted in the response to Staff Data Requests set 2, Staff has concluded that the fees as proposed are cost justified and reasonable and therefore recommends approval of said fees. Staff would also note that the current fees in the tariff have been in effect since 1996.

Since the above tariff revisions were a result of the investigation and discussions as to the appropriateness of Rosebrook using the balance of its CIAC funds, the public was not noticed as to the changes. Therefore, should the Commission adopt Staff's recommendation, it is suggested the changes be approved by an order *nisi* in order to provide the public an opportunity to review and comment on the changes prior to the changes taking effect.

If you have any question or request further information regarding this matter, please contact me.

Sincerely,



James L. Lenihan
Utility Analyst

Attachments: Data Responses Set 2
cc: Service list

December 14, 2012

VIA ELECTRONIC DISTRIBUTION

Marcia A.B. Thunberg
Staff Attorney
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

Re: Docket No. DW 11-117, Rosebrook Water Company, Inc.
Request to Use CIAC Funds
Company responses to Staff data requests – set 2

Dear Ms. Thunberg:

Attached are Rosebrook Water Company's ("Company") responses to Staff data requests – set 2. Please review. If there are follow up questions to the Company's responses or areas of disagreement, I suggest that we arrange a conference call to respond and resolve any remaining issues. The Company would like for the tariff to be finalized and approved by the end of the year, if possible. If you have any questions or comments, please call me at 207-282-5222 or email me at stephenpstcyr@yahoo.com.

Sincerely,

Stephen P. St. Cyr

Attachments

Cc: Discovery Service List

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-1

Date of Response: 12/23/2011
Witness: Nancy Oleson

On Page 1, Definitions, line one, regarding “Approved backflow device”. Please indicate who will be approving the device?

A Rosebrook Water Company licensed operator will approve all backflow devices.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-2

Date of Response: 12/23/2011
Witness: Nancy Oleson

On page 1, Definitions, line 6, please indicate what is meant by a “possible physical connection”?

A “Possible Physical Connection” is defined as anything that would allow water or contaminants to be drawn back into the water system.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-3

Date of Response: 12/23/2011
Witness: Nancy Oleson

On Page 3, TERMS AND CONDITIONS, Service Pipe, Installation, Ownership and Maintenance, b. (2) will the Condominiums be responsible for maintenance of the service pipes? Does the customer ownership provision also apply to "Other Multi-Family Residences"?

Rosebrook Water is responsible up to and including the curb stop.

Yes.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-4

Date of Response: 12/23/2011
Witness: Nancy Oleson

On Page 4, METERS, Paragraph c. Meter Setting, line 6: Once the pressure reducing valve, and back flow preventer are installed and become property of the Company will these devices be maintained by the Company? Line 7: Please specify what is meant by "all expenses involved in water hookups".

No, Rosebrook Water Company will not maintain the devices. They will not become property of the Company, only the meter and setting will.

A flat fee will be charged all new customers for connecting to Rosebrook Water Company's system.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-5

Date of Response: 12/23/2011
Witness: Nancy Oleson

On page 4, paragraph d, please indicate who will own and maintain the remote meter readers? Please indicate the reason(s) the customer is to install the devices. How involved is the installation, including the connection to the meter itself? Is this something the customer can normally do?

Rosebrook Water Company will own and maintain the remote meter readers; 'maintenance' shall be defined as 'replacement' once the unit is no longer functional.

The installation must be done by a professional during construction so the customer will not personally be involved in the installation, but will arrange for the work to be done.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-6

Date of Response: 12/23/2011
Witness: Nancy Oleson

On page 5, paragraph h. please provide all costs resulting in the meter testing fee increasing from \$30 to the proposed \$150.

AFTER RECONSIDERATION OF ACTUAL COSTS INCURRED BY COMPANY, THE COMPANY PROPOSES a *staggered fee schedule based on meter size*. OTHERWISE, COMPANY WILL LOSE MONEY FOR EACH METER TESTED. OVERVIEW OF TYPICAL METER TESTING COSTS:

1. Based on a recent quote from the supplier EJ Prescott, the current cost to test one 5/8" meter is \$50. 5/8" is the smallest meter we have and the larger ones cost more to test. Additional costs include:
2. shipping each meter to and from the supplier. E.g. One 5/8" meter weighs approximately 7 pounds & 1" meters weigh approximately 10 lbs.
3. an 'idler' to be temporarily used in place of the meter
4. new gaskets
5. labor costs for a Company employee to remove the meter prior to shipping and reinstall after it is returned.

Breakdown of meter testing costs according to size

5/8" meter = \$225.00

\$50 - charge to test meter
\$25 - one idler
\$80 - 2 hours labor estimated to remove and reinstall meter
\$60 - miscellaneous hardware, including compression nuts.
\$10 - shipping & insurance as of December 2011

1" meter = \$250.00

\$50 - charge to test meter
\$47 - one idler
\$80 - 2 hours labor estimated to remove and reinstall meter
\$60 - miscellaneous hardware, including compression nuts.
\$13 - shipping & insurance as of December 2011

2"- 8" meter would not be sent out for testing = \$500.00 for first meter, \$300 for each subsequent meter tested on the same day at customer location. All costs for testing these meters would be a direct pass-through to the customer.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-7

Date of Response: 12/23/2011
Witness: Nancy Oleson

On page 6, paragraph 4, line 1, what criteria will the Company employ to determine that a business has a potential for cross connection and require a cross connection backflow preventer? How does the requirement relate to the installation of backflow preventers on page 4? On paragraph 4, line 3, please specify and itemize the "costs of all necessary installations, inspections and repairs".

If a business' water usage alters the content of the water drawn off the Company system so that it could potentially contaminate the water purity if it flowed back into the system, the Company will require a cross connection backflow preventer. Examples include the following: Soda fountains, Coffee makers connected to the water supply, Ice makers, Bars, Spas and Pools.

The requirement for a cross connection backflow preventer relates to the installation in that the preventer installed must be one that is testable.

Costs of all necessary installations, inspections and repairs include the following:

- 1. backflow preventer purchase**
- 2. professional installation of backflow preventer**
- 3. professional fees for a NH certified backflow inspector**
- 4. plumber**

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-8

Date of Response: 12/23/2011
Witness: Nancy Oleson

Page 6 paragraph 5, please specify, with detail, the derivation of testing fees for backflow preventer, pressure reducing device and double check valves.

In each case, this will be a direct pass through of professional fees for testing services with no up-charge that benefits the Company. The Company merely serves as the agent to arrange for testing to be done.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-9

Date of Response: 12/23/2011
Witness: Marjory Taylor

Page 8, paragraph d., please specify the derivation of all fees listed in this paragraph d.

NON-WATER RATES DERIVATION:

**SHUT-OFF CERTIFIED NOTICE - \$15.00 = COST OF CERTIFIED USPS
NOTICE PLUS LABOR @ \$40 PER HOUR**

**SERVICE RE-CONNECTION - \$100 = 2.5 HOURS MINIMUM LABOR COST
FOR AUTHORIZED COMPANY EMPLOYEE TO RE-CONNECT A
CUSTOMER TO THE WATER SYSTEM (SEE STAFF 2-11)**

PENALTY FOR NON-SUFFICIENT FUNDS - \$35 = (SEE STAFF 2-11)

PRE-DISCONNECTION PAYMENT AT PREMISES - \$40 = (SEE STAFF 2-12)

**INITIAL SERVICE CONNECTION CHARGE - \$100 = 2.5 HOURS MINIMUM
LABOR COST FOR AUTHORIZED COMPANY EMPLOYEE TO INITIALLY
CONNECT A CUSTOMER TO THE WATER SYSTEM (SEE STAFF 2-11)**

**CUSTOMER-REQUESTED METER TESTING – DEPENDS ON METER SIZE =
(SEE STAFF REQUEST 2-6)**

**BACK-FLOW PREVENTER TESTING – ACTUAL EXPENSE TO COMPANY
(SEE STAFF REQUEST 2-8)**

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-10

Date of Response: 12/23/2011
Witness: Marjory Taylor

Page 8, paragraph d., please indicate whether or not the Company will seek Commission approval for all non-water rate adjustments and if not please explain.

No, the Company will not seek approval for all non-water adjustments. All rates will be based on current costs to the Company plus in the case of labor, wage fluctuations.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests — Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-11

Date of Response: 12/23/2011
Witness: Marjory Taylor

Page 9, paragraph 17, Service Connection Charge; please provide the cost components for the proposed \$100 charge. Also on Page 9. Paragraph 19 please provide backup information for the \$35 penalty for Bad Checks.

“SERVICE RE-CONNECTION CHARGE” (HOOK UP SERVICE AFTER A SHUT-OFF), AND “INITIAL SERVICE CONNECTION CHARGE” are both based on a minimum charge of 2.5 hours of Company labor @\$40 per hour to establish or re-establish water service to a customer.

This is based on the most current charge to the Company from Connecticut River Bank for “insufficient funds” deposits which is \$15.00, plus .5 hours of Company labor @ \$40 per hour.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-12

Date of Response: 12/23/2011
Witness: Marjory Taylor

Page 10, paragraph 20, please provide the basis for increasing the charge for having a Company employee sent to a customer residence for non-payment from \$20 to \$40.

This is based on labor costs that have increased to an average rate of \$40 per hour since the original tariff was approved. The Company considers this the basic charge for any Company employee to perform any service at the customer's residence.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-13

Date of Response: 12/23/2011
Witness: Nancy Oleson

Page 10, Paragraph 21, please explain why the developer is required to cover costs referenced in the last sentence of that paragraph.

The Company considers those items to be a necessary part of the overall construction costs without regard to which party arranges for the work to be performed.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-14

Date of Response: 12/23/2011
Witness: Nancy Oleson

Please respond to the following questions, comments and suggestions regarding the test of the proposed tariff:

- a). Page 1, 'Company' definition, change to "Rosebrook Water Company, Inc.. or its Employees or Representatives". **AGREED**
- b). Page 2, 'Individual Connection' definition, insert "a connection having a" at beginning of definition. **AGREED**
- c). Page 4, end of Section 3, 'water escaping there from' appears to refer only to a relocation of the service line on the customer's property. Please clarify the intent. (For example, make the last half of the sentence a separate sentence ending with "escaping from the customer-owned portion of the service line"? **AGREED**
- d). Page 4, Section 4.c, either spell out 'PPSI' (normally 'psi') or, preferably, change to something like 'pressure reduction and delivered pressure'. **SPELL OUT PPSI AND ADD ("psi")**
- e). Pages 4-5, Section 4.e, move last sentence to end of section 4.d. **AGREED**
- f). Page 7, Section 8, third line, insert 'as' before second 'authorized'? **AGREED**
- g). Page 8, Section 13.d, what is the distinction between "Service connection" and "Service Connection Charge", both listed as \$100? **ONE SHOULD READ "SERVICE RE-CONNECTION CHARGE" (HOOK UP SERVICE AFTER A SHUT-OFF), AND ONE SHOULD READ "INITIAL SERVICE CONNECTION CHARGE"**
- h). Page 10, Section 21.c. move first sentence to 21.b(5)? **AGREED**
- i). Page 11, Rate Schedule. Schedule S-8 of the company's annual report also indicates one 3-Inch and one 8-Inch meter. In this regard please identify any meter sizes in the company's system that are not listed in the rate schedule, as well as the company's current and proposed practice for billing same.

Rosebrook Water Company Inc.
Docket No. DW 11-117
Staff Data Requests – Set No. 2

Date Request Received: 11/28/2011
Request No. Staff 2-14 page 2 of 2

Date of Response: 12/23/2011
Witness: Marjory Taylor

CURRENT BILLING STRUCTURE:

SIZE OF METER	INITIAL CHARGE PER QUARTER
5/8"	\$ 35.00
1"	\$ 38.50
2"	\$101.50
3"	\$101.50
8"	\$101.50

PROPOSED BILLING STRUCTURE:

SIZE OF METER	INITIAL CHARGE PER QUARTER
5/8"	\$ 55.00
1"	\$100.00
2"	\$170.00
3"	\$230.00
8"	\$230.00

THESE WERE NOT AMENDED IN THE REVISED TARIFF BECAUSE THE COMPANY WAS ADVISED THAT THESE RATES COULD NOT CHANGE UNTIL THE COMPANY PURSUED A RATE CASE.

j). All pages should be "Revised", not "Original" (or entire tariff should be NHPUC NO. 2), and corrections made for consistent indentation, spaces between words, etc. throughout.

AGREED (COMPANY WAS ADVISED THAT THE AMENDMENTS WERE SIGNIFICANT ENOUGH THAT IT SHOULD BE CONSIDERED AN 'ORIGINAL' TARIFF).