

PUBLIC UTILITIES COMMISSION

Hampstead Area Water Company  
Lakes Region Water Co., Inc.  
Abenaki Water Co., Inc.

Joint Petition for Declaratory Ruling or Rulemaking  
Regarding the Return on Equity for Small Water Systems

Docket No. DW 18 – 026

**HAMPSTEAD AREA WATER COMPANY, INC.'S**  
**OBJECTION TO MOTION TO DISMISS**

Hampstead Area Water Company, Inc. (HAWC), hereby objects to the Office of Consumer Advocate's Motion to Dismiss as follows:

1. **The Commission has the authority to issue a declaratory ruling.** Again HAWC concurs with the objection filed by Lakes Region. The Commission is not confine to singular procedure.
2. **The Commission has the authority to adopt a rule making of the issue of Return of Equity in a generic investigation.** HAWC concurs with the objection filed by Lakes Region Water Company, Inc.(Lakes Region) It is clear from the argument made by Lakes Region that the Commission has the broad authority to make a generic investigatory docket to assist it in promulgating it rule making powers. Further, as evidenced as recently as last week, by its Order of Notice issued in IR 18-062 dated April 12, 2018, the Commission reaffirmed its authority to conduct an investigatory docket. The subject docket herein to investigate the appropriate return on equity by similarly situated water companies is most

appropriate for this procedure. The major stakeholders are present and best situated to effect a useful result for the Commission's consideration.

3. **The cited foreign state precedents are very germane.** The Commission has the authority to consider foreign precedents, especially in the face of a matter of first impression. There is a gap in rate making and return on equity that is very clear between very small water companies and much larger ones. The inability to attract capital lending or investment is tell tale of this. Just because the Commission has not addressed this previously does not preclude it from doing so now, especially given that its authority to do so is broad and encompassing.
4. **The Petitioners have not requested single issue ratemaking.** The Consumer Advocate claims that this proceeding represents a request for "single issue" ratemaking. Again, HAWC concurs in the objection filed by Lakes Region. HAWC has a separate docket, DW-17-118, for its pending rate case in which all rate making issues including ROE are being reviewed. HAWC understood that its rate case would be delayed pending Staff and other parties and the Commission sorting out on how to proceed in this docket, but understood that prosecution of the rate case would resume forthwith. The only effect of this docket on rate making is collateral in that HAWC intends to request to have a ROE step-adjustment in HAWC's rate case made when this docket is resolved. It is ironic for the OCA to make this argument of single case rate making when the OCA itself filed a Complaint in DW 18-001, Investigation to Determine Rate Effects of Federal and State Corporate Tax Reductions.
5. **Conclusion.** This proceeding simply seeks to address and resolve a long standing issue common to similar situation water systems. How the Commission proceeds to do so it most likely to be done in an investigatory docket. Other interested parties including the OCA and intervenors will have it opportunity to foster its concerns on the merits of such a docket.

WHEREFORE, HAWC respectfully requests that the Commission deny the Consumer Advocate's Motion to Dismiss and grant such other relief as justice may require.

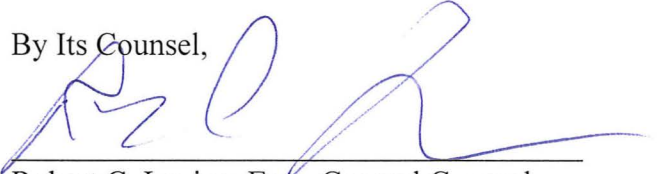
Respectfully submitted,

Hampstead Area Water Co., Inc.

By Its Counsel,

Date: April 19<sup>th</sup>, 2018

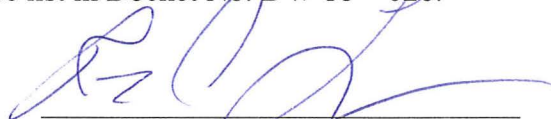
By:



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#### CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was this day forwarded via Electronic Mail to all persons on the Commission's official service list in Docket No. DW 18 - 026.



Robert C. Levine, Esq.