

DW 05-112

HAMPSTEAD AREA WATER COMPANY

Notice of Intent to File Rate Schedules

**Order Suspending Proposed Tariff Revisions for a Permanent Rate Increase and
Establishment of a Single Tariff
and
Establishing a Prehearing Conference**

ORDER NO. 24,496

July 29, 2005

On July 1, 2005, Hampstead Area Water Company (Hampstead) filed with the New Hampshire Public Utilities Commission (Commission) a Petition including financial schedules and supporting testimony for an increase in permanent rates for all of its current franchises, as well as a single consolidated rate for those franchises. Hampstead states that for the test year ending December 31, 2004, it operated at a net loss of \$213,721. Hampstead proposes an overall annual revenue increase of \$568,338 or 87.84%, to be applied on a consolidated basis. The proposed rates would consist of a quarterly customer charge of \$25.00 and a consumption rate of \$3.57 per 100 cubic feet of water, effective January 1, 2006.

Hampstead's proposal would affect customers in the following areas with the proposed percent rate change noted in parentheses: Bricketts Mill (-22.68%), Colby Pond (28.23%), Kent Farm (11.84%), Oak Hill (178.82%), Rainbow Ridge (14.77%), Stoneford (57.09%), Lancaster Farm (27.43%), Walnut Ridge (50.46%), and Hampstead Core (124.75%). The proposed rate would also apply to Camelot Court, Cornerstone, Cricket Hill/Maplevale, Lamplighter, Autumn Hills, Mill Woods, and Waterford Village.

The filing raises, inter alia, issues related to RSA 378 and the justness and reasonableness of rates, fares and charges; issues regarding operation and maintenance costs and rate of return; the efficacy of instituting consolidated rates; franchise expansion costs; and approval of future projects. A full investigation is necessary to determine whether the proposed increase is in the public good and these and other issues will be addressed in the permanent rate proceedings.

Based upon the foregoing, it is hereby

ORDERED, that Hampstead Area Water Company's proposed permanent rate be and is hereby suspended pending the Commission's investigation prior to rendering a final order in this proceeding; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rule Puc 203.05, a prehearing conference to address procedural matters governing the course of this proceeding be held before the Commission at its offices at 21 South Fruit Street Suite 10, Concord, New Hampshire on September 6, 2005 at 10:00 a.m. at which each party will provide a preliminary summary of its position with regard to the Petition; and it is

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

FURTHER ORDERED, that pursuant to N.H. Admin. Rule Puc 203.01, Hampstead notify all persons desiring to be heard at said hearing on the question of whether the proposed revenue increase is in the public good, by causing a copy of this order to be published once in a newspaper having general circulation in that portion of the state in which operations are

conducted, such publication to be no later than August 16, 2005; and it is

FURTHER ORDERED, that Hampstead serve a copy of this Order of Notice in accordance with N.H. Admin. Rules Puc 1601.05(j), on the town Clerks of the areas served by first class U.S. Mail, postmarked no later than August 23, 2005; and it is

FURTHER ORDERED, that in addition to the legal notice required above for the Prehearing Conference, Hampstead shall publish by August 16, 2005 a display advertisement pertaining to the Prehearing Conference, details of which shall be determined in consultation between Hampstead and the Commission's Executive Director and Secretary; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to Hampstead and the Office of Consumer Advocate on or before August 31, 2005 such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.02 (a) (2); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before September 6, 2005.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of July, 2005.

Thomas B. Getz
Chairman

Graham Morrison
Commissioner

Michael Harrington
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary