

DW 06-155

HAMPSTEAD AREA WATER COMPANY INC.

Petition for Approval of Fire District and Fire Protection Rates

**Order Suspending Proposed Tariffs
and
Scheduling Prehearing Conference**

ORDER NO. 24,709

December 8, 2006

Hampstead Area Water Company Inc. (HAWC) is a regulated public utility and serves over 2,500 customers in approximately a dozen communities in the southeast area of New Hampshire. On November 13, 2006 HAWC filed with the New Hampshire Public Utilities Commission (Commission) a petition for approval of fire district and fire protection rates for the town of Hampstead and general private fire protection rates on a system-wide basis, an increase in its public fire protection hydrant fee and a change in its quarterly base charge. HAWC also provides public fire protection to the town of Atkinson. On November 30, 2006, HAWC filed tariff pages reflecting the above proposed rates. The fire protection rates are also intended for approximately 12 of HAWC's commercial customers that have private fire protection systems and are, according to the petition, not currently being charged a fire protection rate. HAWC's petition states that the town of Hampstead has requested and HAWC has installed hydrants. The town also asked HAWC to provide fire protection water supply upon completion of the Smith Mountain water tank which, according to the petitioner, is completed and is currently operational.

The filing raises, inter alia, issues related to the timing of the filing in that the petitioner was recently authorized to increase rates in a permanent rate proceeding earlier this year; the cost

basis for the establishment of the rates as well as increases to existing rates; the reasonableness of the revenue levels sought from these rates; the impact the rates would have on HAWC's recently established revenue requirement and whether any revenues realized from the proposed rates are not currently recovered from rates charged to HAWC general metered customers. Each party has the right to have an attorney represent them at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that Hampstead Area Water Company, Inc.'s proposed tariff changes submitted in NHPUC NO. 2, Fourth Revised Pages 19, 20 and 21, are hereby suspended pending further investigation, and it is

FURTHER ORDERED, that a prehearing conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on January 2, 2007 at 1:00 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. Rule Puc 203.15(c) shall be considered; and it is

FURTHER ORDERED, that, immediately following the prehearing conference, HAWC, the 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; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules 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 December 15, 2006, 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 January 2, 2007; and it is

FURTHER ORDERED, that HAWC serve an accurate and complete summation of its proposed rate change and a copy of this order of notice on current and known prospective commercial fire protection customers of HAWC and the clerk of the towns of Hampstead and Atkinson, by first class U.S. Mail, postmarked no later than December 19, 2006; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.02, 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 December 27, 2006, 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 203.17 and RSA 541-A:32; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said Objection on or before January 2, 2007.

By order of the Public Utilities Commission of New Hampshire this eighth day of December, 2006.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Clifton C. Below
Commissioner

Debra A. Howland
Executive Director & Secretary

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.