

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

DW 09-291

FRYEBURG WATER COMPANY

**Petition for Temporary Rates and Authorization to Serve Customers in East Conway as a
Foreign Business Entity Pursuant to RSA 374:24**

ORDER OF NOTICE

On December 31, 2009, Fryeburg Water Company (Fryeburg) filed with the Commission a Notice of Intent to File Rate Schedules. Fryeburg is a New Hampshire and Maine regulated public utility with its principal place of business in the Town of Fryeburg, Maine. It serves approximately 737 customers in Maine and approximately 67 customers in the adjacent town of East Conway, New Hampshire. On or about January 4, 2010, Fryeburg filed for approval of an approximate 15% rate increase with the Maine Public Utilities Commission (MPUC). On or about April 16, 2010, the MPUC approved a stipulation agreement providing for a rate increase of about 12.9% to Fryeburg's customers.

On August 11, 2010, Fryeburg filed the results of the Maine proceeding with the Commission and also filed a Petition for Temporary Rates pursuant to RSA 378:27, a Petition for Authorization to serve its East Conway customers as a Foreign Business Entity pursuant to RSA 374:24, and an assented-to Motion to Waive N.H. Code Admin. R. Puc Chapter 1604 filing requirements. In support of its rate filing, Fryeburg also filed the testimony of Jean Andrews, Treasurer of Fryeburg, proposed draft tariff pages, and a proposed statement to be mailed to Fryeburg's New Hampshire customers.

Fryeburg requests approval of temporary rates for its New Hampshire customers at the level approved for permanent rates in Maine. Fryeburg asserts that its 2009 test year earnings

were insufficient to earn a reasonable rate of return, citing a significant decline in sales to Pure Mountain Springs, LLC as the primary reason. Fryeburg avers that temporary rates are needed in order for the company to continue to meet its obligations to provide service to its New Hampshire customers. Fryeburg charges a quarterly rate, monthly rate, and seasonal rate. The proposed quarterly rate for 5/8 inch service is \$45.00 for the first 1,200 cubic feet. The proposed monthly rate for 5/8 inch service is \$15.00 for the first 400 cubic feet. The proposed seasonal rate for 5/8 inch service is \$135.00 for the first 2,400 cubic feet. The existing rates are \$39.24, \$13.08, and \$109.80 respectively.

In Fryeburg's Petition for Authorization to Serve Customers as a Foreign Business Entity Pursuant to RSA 374:24, Fryeburg requests that it be permitted to serve its New Hampshire customers at rates set by the MPUC in the future without further requests to, or approval from, this Commission. Fryeburg states that it will continue to provide service that is "reasonably safe and adequate" as required by RSA 374:1, pursuant to tariffs filed with the Commission. Fryeburg states that New Hampshire customers will benefit from reduced regulatory costs. Alternatively, Fryeburg requests the Commission issue an order exempting the company from rate regulation pursuant to RSA 362:4 because it serves fewer than 75 customers in New Hampshire.

Fryeburg also requests waivers, pursuant to Puc 201.05, from the filing requirements for a full rate case found in Puc 1604.01, 1604.02, 1604.06, and 1604.07. Fryeburg requests a waiver of the 60-day time period for submission of schedules as found in Puc 1604.05 (c), citing that Fryeburg filed a Notice of Intent to File Rate Schedules on December 31, 2009. Fryeburg states that waiver of these filing requirements will serve the public interest since it will reduce rate case expenses to customers for rates already determined to be just and reasonable in Maine

and that Puc 1601.01 (d) permits water utilities with gross annual revenues under \$100,000 to petition to make alternative filings to those required by Puc 1600. Fryeburg indicates that its gross annual revenues from its New Hampshire customers are well under \$100,000. Fryeburg stated the Commission Staff assents to these waiver requests and that the Office of the Consumer Advocate (OCA) takes no position.

The filing raises, inter alia, issues related to whether the temporary rates proposed are just and reasonable as required by RSA 378; whether the waiver requests submitted by Fryeburg will not disrupt the orderly conduct of the proceeding and are in the public interest; and whether it is in the public interest for rates established by the Maine Public Utilities Commission be applied to Fryeburg's New Hampshire customers in the future without specific approval in New Hampshire. 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, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 5, 2010 at 10:00 a.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 shall be considered; and it is

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

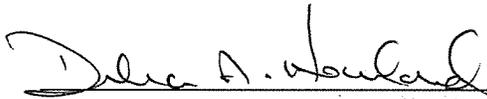
FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, Fryeburg shall notify all persons desiring to be heard at this hearing by mailing a copy of this Order of Notice,

by first class mail, no later than September 20, 2010 to all Fryeburg's New Hampshire customers, said mailing to be documented by affidavit filed with the Commission on or before October 5, 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 Fryeburg and the OCA on or before September 29, 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 October 5, 2010.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of August, 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.

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Docket #: 09-291

Printed: August 31, 2010

FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),

WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:

DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429