

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 11-117

ROSEBROOK WATER COMPANY, INC.

**Request to Use Contribution In Aid of Construction (CIAC) Funds for Capital
Improvements – Tariff Revisions and Fee Adjustments**

Order *Nisi* Granting Tariff Revisions and Fee Adjustments

ORDER NO. 25,328

February 3, 2012

I. BACKGROUND

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 a generator. The CIAC account was established by Order No. 23,441. *See Rosebrook Water Company Inc.* 85 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 were only used 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 that certain aspects of Rosebrook's tariff appeared to require clarification and/or resolution. Staff and the Company representatives had met on March 25, 2011, and discussed the issue of updating Rosebrook's tariff to clearly delineate the responsibility of the Company as well as customer obligations in providing and receiving water service. 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 most important of which are identified below:

Terms and Conditions, 1. Service Pipe, provisions now address the location and the number and manner in which various structures may be served; section b. (1) Single Family Homes, now clarifies ownership of Company owned shutoff valves as well as customer ownership and responsibility for maintenance of service pipes.

3. Maintenance of Plumbing, new provision specifying that repairs must take place "as soon as possible" where leaks may occur within the customer's areas of responsibility.

4. Meters, new language stating the Company supplies the initial meter; owners must install pressure reducing valves and backflow preventers in accordance with Company requirements;

provisions regarding the installation of remote outside meter readers; meter testing fees of \$225, with components of the charge delineated; .

7. Cross Connections, new provisions requiring businesses to install a cross connection backflow preventer in certain situations;

8. Tampering, new language describing Company owned facilities such as valves, grates, shutoffs, standpipes, hydrants, and the prohibition of operating such facilities by unauthorized personal.

10. Landscape Repairs on Condominium Property, language clarifying that Rosebrook will not be liable for landscaping or paving repairs that were required as a result of homeowner or association damage or alterations.

13. Payment for service, language increasing 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; new provision listing non-water fees.

14. Applications for Service, new language regarding authorization of “Company’s Agent” to enter a premise to perform water service.

15. Disconnection of Service, identification of additional reasons for disconnection, including non-payment consistent with section 13b, failure to maintain customer’s property to allow ease of access for Company personnel, and cross connecting specified in section 7.

21. Main Pipe Extensions, new language regarding obligations and costs of main extensions, pipes and associated facilities to serve new customers, language stating that no one except the Company may approve hook ups for hydrants or homes, or to establish connection.

On January 19, 2012, Staff filed a letter indicating that it 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 responses 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 also noted that the current fees in the tariff have been in effect since 1996.

II. COMMISSION ANALYSIS

The Commission has reviewed the Company's proposed revisions to the terms and conditions in its currently effective tariff as well as the recommendation provided by Staff pursuant to RSA 378:5. We find the modifications to be reasonable and we will therefore provide our approval. We note that Staff's review of the proposed revisions to Rosebrook's schedule of miscellaneous service fees included a determination that such fees are based on actual costs, and therefore we will approve said fees as being reasonable and in the public interest. We note further that the proposed fee for meter testing, as discussed in Staff's recommendation letter, is modified from that originally filed by Rosebrook, in order to base that fee on actual costs incurred by Rosebrook as well as the actual testing fee to be charged by the third party vendor.

Because these proposed tariff revisions were a result of, and became a part of the review of the appropriateness of Rosebrook using the balance of its CIAC funds, the public was not

noticed as to the changes. We therefore provide our approval through the issuance of an order *nisi* in order to provide the public an opportunity to review and comment on the changes prior to the changes taking effect.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, Rosebrook is authorized to revise its tariff as detailed in the Staff recommendation letter; and it is

FURTHER ORDERED, that Rosebrook is authorized to place into effect its tariff revisions, on the effective date of this order; and it is

FURTHER ORDERED, that Rosebrook shall cause a copy of this Order *Nisi* to be mailed by first class mail to the Town Clerks of Bethlehem and Carroll and the unincorporated township of Crawford's Purchase and to any known or prospective customers as well as published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than February 15, 2012 and to be documented by affidavit filed with this office on or before March 9, 2012; and it is

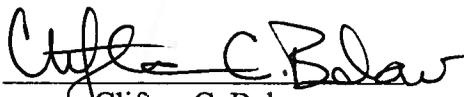
FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than February 22, 2012 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than February 29, 2012; and it is

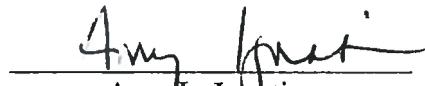
FURTHER ORDERED, that this Order *Nisi* shall be effective March 9, 2012, unless Rosebrook fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that Rosebrook shall file a compliance tariff with the Commission on or before March 23, 2012, in accordance with N.H. Code Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this third day of February, 2012.

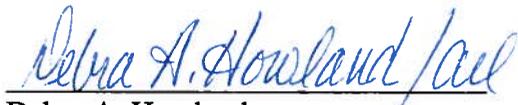


Clifton C. Below
Commissioner



Amy L. Ignatius
Commissioner

Attested by:



Debra A. Howland
Executive Director

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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