

STATE OF NEW HAMPSHIRE
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
IN THE MATTER OF
HAMPSTEAD AREA WATER COMPANY, INC
DW 12-170
REPLICATION TO STAFF'S OBJECTION
TO THE COMPANY'S MOTION TO AMEND PETITION

The Petitioner, Hampstead Area Water Company, Inc. (HAWC) respectively submits the following Replication in response to Staff's Objection to the Company's Motion to Amend its Petition as follows:

1. The Company believes that this is ample time for the Staff to include the requests made in the Company's Motion to Amend in its next round of discovery. The information related to Black Rocks and Fairfield has already been provided to and reviewed by the Audit Staff. The Audit Staff has already partially reviewed the expenses associated with the new full time position, namely the Lewis Builders Development, Inc. charges that are reflected in the test year, for which, the position will replace.
2. In fact it was the audit staff that brought the Black Rocks expense to the Company's attention as being an oversight for inclusion in this rate case. While the Fairfield expenditures are reflected in the Company's filing, this one piece was inadvertently not included.
3. The addition for the expense of the new hire is actually a request for inclusion of an incremental increase in expense that the Company had been incurring throughout the test year and in 2012, i.e. the charges for the work performed that were services provided by Lewis Builders Development, Inc. under the management agreement.

4. These services had reached the point in 2012 that it was prudent to hire a full time person rather than pay under the management agreement. Thus the inclusion of the new hire is reasonable under this rate case as it is directly related to expenses incurred in the test year and the year following the test year.
5. The Company is not proposing nor would it support a modification to the existing procedural schedule. It does not believe that proposed adjustment requires any change in the procedural schedule.
6. The traditional review of test year expenses included known and measurable changes. These adjustments are known and measurable and have been incurred within twelve months of the test year. Ultimately, the Company is trying to get to a level of expenses and rates that reflected such expenses that is representative of what the Company expects going forward.
7. By this amendment to the Petition, the Company is requesting some very minor adjustments to its overall rate case. It is done in an effort to be responsive to audit staff and to be as comprehensive as possible in the rate case request. The additions are neither burdensome nor outside the usual and customary scope of items included in similar proceedings historically.

Dated this 10th day of January, 2013

Respectfully submitted,

HAMPSTEAD AREA WATER COMPANY, INC.


Christine Lewis Morse, Vice President