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STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

April 4, 2013 - 10:02 a.m.  
Concord, New Hampshire

NHPUC APR26'13 PM 4:05

RE: DW 12-355  
DOCKHAM SHORES ESTATES WATER COMPANY:  
*Notice of Intent to File Rate Schedules.*  
(Prehearing conference)

PRESENT: F. Anne Ross, Esq.  
(Presiding as Hearings Examiner)

Sandy Deno, Clerk

APPEARANCES: Reptg. Dockham Shores Estates Water Co.:  
David Jordan, Esq.

Reptg. PUC Staff:  
Marcia A. Brown, Esq.  
Mark Naylor, Director/Gas & Water Division  
Jayson Laflamme, Gas & Water Division  
Robyn Descoteau, Gas & Water Division

Court Reporter: Steven E. Patnaude, LCR No. 52

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**I N D E X**

**PAGE NO.**

**STATEMENTS OF PRELIMINARY POSITION BY:**

Mr. Jordan

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Ms. Brown

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**QUESTION BY MS. ROSS**

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**P R O C E E D I N G**

1  
2 MS. ROSS: Good morning. My name is  
3 Anne Ross. I'm going to be serving as Hearings Examiner  
4 today, and I will make recommendations following the  
5 prehearing conference to the Commission. I'd like to open  
6 the hearing -- the prehearing conference today on Docket  
7 DW 12-355, the Dockham Shores Estates Water Company rate  
8 case filing. Dockham Shores Estates Water Company  
9 provides metered water service to 60 customers in a  
10 limited area of Gilford, New Hampshire. On December 11th,  
11 2012, Dockham Shores filed a Notice of Intent to File Rate  
12 Schedules, and, on February 11th, 2013, filed its rate  
13 schedules, along with supporting testimony for an increase  
14 in its permanent rates. Dockham Shores proposes to  
15 increase its annual revenue by \$23,844, or 129 percent.

16 And, with that, I would like to begin by  
17 taking appearances.

18 MR. JORDAN: Good morning. I'm David  
19 Jordan. I appear on behalf of the Company. And, with me  
20 is Colin Robertson, the President of the Company.

21 MS. ROSS: Good morning.

22 MS. BROWN: Good morning, Examiner Ross.  
23 Marcia Brown, on behalf of Staff. And, with me today is  
24 Mark Naylor, Robyn Descoteau, and Jayson Laflamme.

1 MS. ROSS: Good morning.

2 MS. BROWN: Staff is aware that there  
3 are no formal intervention requests that have been made to  
4 the Commission.

5 MS. ROSS: Did I see in the docket some  
6 letters from ratepayers? Are those being filed just as  
7 comments?

8 MS. BROWN: Yes. Letters have come in  
9 from customers. They did not ask for intervention.  
10 However, Staff has been reaching out to the customers. In  
11 particular, there's an active customer, Richard and Jean  
12 Vaillancourt. Staff did not get a sense, in our  
13 conversations with them, that they intended to seek  
14 intervention. But they are generally interested in the  
15 case, and Staff will just perform that function of being a  
16 -- will continue to inform the customers, take questions  
17 from the customers, and, if there are relevant issues,  
18 raise them with the Company and resolve them.

19 MS. ROSS: Good. Thank you. In that  
20 case, since we have no interventions, are there any other  
21 procedural matters that we need to deal with this morning?  
22 Any pending motions or --

23 MR. JORDAN: No, ma'am.

24 MS. ROSS: Okay. Would you like to just

1 summarize your initial positions then.

2 MR. JORDAN: The initial position is  
3 that the Company has not had an increase in rates in 24  
4 years, has made substantial capital investments in the  
5 Company, increased costs of operation, new regulatory  
6 requirements make its present rates non-compensatory, and,  
7 in fact, so low to be confiscatory.

8 MS. ROSS: Could I ask you a question?

9 MR. JORDAN: Yes.

10 MS. ROSS: I think I recall seeing  
11 something in one of the customer letters about the  
12 possibility of conveying the water system to an  
13 association. Did I understand that correctly or --

14 MR. JORDAN: I haven't seen it in a  
15 particular letter. I only got a copy of one letter,  
16 Mr. Vaillancourt's, a letter from Mr. Vaillancourt.

17 MS. ROSS: Okay.

18 MR. JORDAN: But the Company has spoken  
19 to the homeowners association from time to time over the  
20 years, and they have expressed zero interest in acquiring  
21 the Company. With an increase in rates, their views might  
22 change.

23 MS. ROSS: Okay. Thank you. Staff, do  
24 you have an initial position?

1 MS. BROWN: Yes. I guess Staff has a  
2 longer initial position than the Company. Yes. Dockham  
3 Shores Estates last had its rate increase about 23, 24  
4 years ago, in 1989, and that was Order Number 19,466 for  
5 the record. It explains why they are asking for a  
6 129 percent increase at this point. Staff did take a look  
7 at the last annual reports, and it shows that the Company  
8 has been underearning. Wasn't significantly underearning  
9 in 2009. But, in 2011, it was around negative 12 percent.  
10 So, Staff is pleased that the Company is addressing that,  
11 because being in a negative earnings position is not  
12 healthy for the Company, and could harm service to the  
13 customers. So, we're glad to have Dockham Shores in.

14 In this rate case, Staff will be taking  
15 a look at Dockham Shores Estates' proposed revenue  
16 requirement and the proforma adjustments. It's using a  
17 2011 test year. Staff's goal is to make sure that Dockham  
18 Shores Estates emerges with rates that reflect its  
19 expenses and income going forward so it's not going to go  
20 back into an underearnings situation.

21 We're pleased that Dockham Shores  
22 Estates has filed a new tariff, to update many of the  
23 provisions. For instance, the return check fee presently  
24 is \$5. And, I don't think you can find that fee in banks

1 anymore. It's usually around 25 or above, and it's  
2 increasing that rate to \$25. It's also updating its  
3 connection charges.

4 So, Staff will be reviewing the changes  
5 to the tariff. We'll take the opportunity, if there are  
6 other things that we think the Company has overlooked, we  
7 will suggest them in this proceeding.

8 Dockham Shores has not requested  
9 temporary rates. Temporary rates are usually given when  
10 permanent rate reviews take a significant amount of time.  
11 Here, Staff doesn't expect the proceeding to take that  
12 many months.

13 Staff expects to work with the Company  
14 to produce a procedural schedule that proposes a couple of  
15 rounds of discovery, technical sessions, testimony,  
16 settlement opportunities, and will likely propose a  
17 schedule that has a settlement track and a litigation  
18 track.

19 And, as we discussed, there are no  
20 intervenors in this proceeding. But Staff will continue  
21 to work with any customers that have questions regarding  
22 this proceeding. And, Staff looks forward to working with  
23 the Company. Thank you.

24 MS. ROSS: Thank you. Is there anything

1 further that anyone wishes to bring?

2 MR. JORDAN: No, ma'am.

3 MS. ROSS: In that case, I will close  
4 the prehearing conference, and encourage the parties to  
5 come up with a fairly short procedural schedule. As this  
6 is a small company, and apparently is in need of a fairly  
7 quick rate increase. And, since there is no request for  
8 temporary rates, I would certainly encourage you all to  
9 try to move as quickly as is possible. Thank you.

10 **(Whereupon the prehearing conference**  
11 **ended at 10:09 a.m., and the Company and**  
12 **PUC Staff participated in a technical**  
13 **session thereafter.)**

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