

09/24/2018

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

DW 18-138

HAMPSTEAD AREA WATER COMPANY, INC.

**Petition for Approval of Drinking and Groundwater Trust Fund
Financing and Step Increase**

ORDER OF NOTICE

On September 4, 2018, the Hampstead Area Water Company (HAWC) petitioned the Commission for authority, pursuant to RSA §369, to borrow \$969,945 in long term debt from the Drinking and Groundwater Trust Fund (DGTF), established under RSA 485-F. In connection with the financing HAWC requested authority to increase its rates to pay the debt service on the financing and to earn a reasonable rate of return on its invested capital. The Company sought expedited approval in order to qualify for low-interest financing which is available for a limited time period.

HAWC is presently franchised in most areas of Hampstead and Atkinson, New Hampshire, and has franchised satellite systems in various towns in Rockingham County. The proposed financing would fund part of the construction of the Atkinson Water Storage Tank, a one million gallon tank, to be located in Atkinson and to become part of the Atkinson and Hampstead Core System. The construction of the tank is part of a longer term project advocated by the Southern New Hampshire Regional Water Project, a New Hampshire Department of Environmental Services (NHDES) project, to provide safe drinking water to the Town of Plaistow.

The total cost of the tank and appurtenant infrastructure is \$2,047,662. NHDES is providing a grant of \$1,077,717. The Company plans to borrow \$646,630 from the DGTF for

the construction of the tank. Due to a change in the tax law concerning Contributions in Aid of Construction (CIAC), there will be a federal tax impact of \$323,315 for HAWC. HAWC plans to borrow that amount also as part of the DGTF loan. Accordingly, HAWC is requesting approval of financing the construction costs of the tank plus the tax impact for a total financing request of \$969,945.

In order to be able to service this additional debt, the Company requires an increase in annual revenue of \$83,308, which would require an increase in its existing rates. Based on the projected costs, the Company anticipates an increase of \$0.34 per ccf to the consumption rate, from \$5.95 per ccf to \$6.29 per ccf.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

The filing raises, *inter alia*, issues related to whether the requested financing is consistent with the public good as required by RSA 369:1 and RSA 369:4; whether the resulting rates are just and reasonable pursuant to RSA 378:7; and whether the improvements to be constructed will be used and useful and prudently constructed as required by RSA 378:28.

Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

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 October 15, 2018 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. Code Admin. Rule Puc 203.15(d) 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 it is

FURTHER ORDERED, that pursuant to N.H. Code 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 October 1, 2018 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 October 15, 2018; and it is

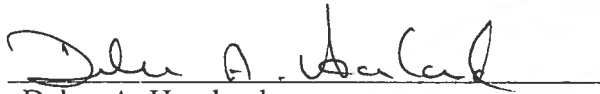
FURTHER ORDERED, that HAWC serve an accurate and complete summation of its proposed rate change and a copy of this Order of Notice on current and known prospective customers of HAWC and the Town Clerk of all the franchised areas in Rockingham County of New Hampshire, by first class U.S. Mail, postmarked no later than October 3, 2018; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to HAWC and the Office of the Consumer Advocate on or before October 10, 2018, 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. Code 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 15, 2018.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of
September, 2018.

Attested by:



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.