

DW 99-119

LOV WATER COMPANY

**Hearing on Deficiencies and the Appropriateness of Fines,
Penalties and/or Revocation of Franchise**

**Order to Show Cause Why Fines or Penalties Should Not Be Imposed
or Authority to Operate as a Public Utility Reconsidered, as a
Result of Deficiencies in Company Operations and Responsiveness**

O R D E R N O. 23,288

August 23, 1999

LOV Water Company (LOV or Company) is a public water utility serving approximately 212 customers in the Town of Freedom. Commission Staff (Staff) received several customer calls in 1998 and 1999 regarding quality of service issues, followed by letters from two customers in May, 1999. Staff met with Mr. David A. Sands, Company president, on June 1, 1999 and on June 22, 1999 toured the system with Mr. Sands and met with two customers.

As a result of these meetings, findings and recommendations were forwarded to Mr. Sands in a letter from Douglas W. Brogan, Water Engineer, dated July 15, 1999. The letter documented significant quality of service deficiencies and concerns relating to pressure, water quality, air, system operation, outages, meters, alarms, wells and engineering; and contained a number of action deadlines. One such deadline, required the Company provide a written response regarding remedial alternatives by August 2, 1999. It also required that

an acceptable short-term fix to the Hillside Drive pressure problem be implemented by August 16, 1999. The letter concluded by noting that any significant failure to comply with the items listed would result in a recommendation for a show cause hearing on the concerns raised as well as the appropriateness of fines, penalties or receivership.

On August 6, 1999, the Company responded to Mr. Brogan's July 15, 1999 letter only after Mr. Brogan inquired as to the status. By memo addressed to the Commissioners, dated August 12, 1999, Mr. Brogan provided comments indicating that the Company's response to the July 15, 1999 letter had been inadequate and recommending that a hearing be held. The memo also noted other outstanding issues regarding customer metering, non-Company ownership of part of the distribution system and Annual Report accounting issues. While the matter was under consideration by the Commissioners, the August 16, 1999 deadline passed without Staff being made aware that a short-term fix to the Hillside Drive problem had been implemented. Additionally, customers continued to make complaints as of August 20, 1999.

The above matters raise questions about whether LOV: has fulfilled its duty to provide safe and adequate service; has failed to comply with Commission Orders and regulations; should be subjected to appropriate fines and penalties; or, should be placed in receivership. Accordingly, we will hold a hearing at which we will require the Company to be prepared to respond to

the deficiencies and concerns noted in Mr. Brogan's above mentioned letter and memo, as well as to the appropriateness of fines and/or other remedial action.

Based upon the foregoing, it is hereby

ORDERED, that, pursuant to RSA 365:41, RSA 365:42, RSA 374:17, RSA 374:28, RSA 374:47-a LOV Water Company appear before the New Hampshire Public Utilities Commission at its offices at 8 Old Suncook Road, Concord, New Hampshire at 1:30 p.m. on September 13, 1999 to respond to the deficiencies noted above, and to show cause why fines or other penalties should not be imposed, or why its authority to operate its water system in the Town of Freedom should not be revoked; and it is

FURTHER ORDERED, that LOV send a copy of this Order to each of its customers, the Freedom Town Clerk and the New Hampshire Department of Environmental Services by first class U.S. mail, on or before August 30, 1999; and it is

FURTHER ORDERED, that LOV provide the Commission by an affidavit reporting that copies of this order have been sent to customers, the Freedom Town Clerk and the New Hampshire Department of Environmental Services; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.01, LOV shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than August 31, 1999 in a newspaper with statewide circulation or

of 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 September 13, 1999; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.02, 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 LOV and the Office of the Consumer Advocate on or before September 8, 1999, 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. Admin. Rule Puc 203.02 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 September 13, 1999.

By order of the Public Utilities Commission of New
Hampshire this twenty-third day of August, 1999.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary

Any individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the American with Disabilities Act Coordinator, NHPUC, 8 Old Suncook Road, Concord, New Hampshire 03301-7319; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Preferably, notification of the need for assistance should be made one week before the scheduled event.