

DW 99-057

**HAMPTON WATER WORKS, INC.**

**Petition for General Rate Increase**

**Order NISI Approving Temporary Rates**

**O R D E R    N O.    23,294**

**August 30, 1999**

APPEARANCES: Ransmeier & Spellman, P.C. by Timothy Britain, Esq. for Hampton Water Works, Inc.; Shaines & McEachern, P.A. by John H. McEachren for the Town of Hampton; Casassa & Ryan by John J. Ryan, Esq. for the Town of North Hampton; Henry Fuller, Chairman, for the Town of North Hampton Water Commission; and James L. Lenihan and Mark A. Naylor for the Staff of the New Hampshire Public Utilities Commission.

**I. PROCEDURAL HISTORY**

On May 19, 1999, the Petitioner, Hampton Water Works, Inc. (Hampton), filed with the New Hampshire Public Utilities Commission (Commission) a petition for an increase in annual revenues of \$978,500, or a total annual increase of 28.9%. Simultaneously Hampton filed, pursuant to RSA 378:27, a request for temporary rates for the duration of the proceeding which, if approved, would yield an additional \$529,098 in revenues or 15.6% over its currently authorized level of rates. By Order No. 23,236 (June 17, 1999), the Commission suspended the proposed rates and scheduled a prehearing conference for July 15, 1999. A duly noticed prehearing conference was held on July 15, 1999.

The Commission received requests for intervention from Mr. John H. McEachern on behalf of the Town of Hampton, Mr. John J. Ryan on behalf of the Town of North Hampton and Mr. Henry

Fuller on behalf of the North Hampton Water Commission. On July 15, 1999, an objection to the motion to intervene filed by Mr. Fuller was submitted by the Petitioner. On July 19, 1999, the Office of Selectmen of the Town of North Hampton submitted a letter to the Executive Director indicating its support for granting Mr. Fuller intervenor status. There were no other objections to the request of Mr. Fuller to intervene nor were there any objections to the intervention of the aforementioned representatives from the towns of Hampton or North Hampton.

On August 12, 1999 the Commission issued Order No. 23,281, which granted the interventions requested and approved a procedural schedule for the proceeding. Included in that procedural schedule was a provision for a temporary rate hearing on August 4, 1999.

## **II. STIPULATION AGREEMENT**

The hearing on temporary rates was held on August 4. A Stipulation Agreement, executed by all parties to the proceeding, was presented by Staff Finance Director Mark A. Naylor. The Stipulation provides for temporary rates for Hampton at their current level. The temporary rates would be effective for water service rendered on or after August 4, 1999. In accordance with RSA 378:29, the Stipulation would permit the Commission to conduct a reconciliation of the rates at the conclusion of the proceeding, in the event that the permanent rates ultimately

determined by the Commission are at a rate different than the approved temporary rates.

### III. COMMISSION ANALYSIS

Based on the information provided at the temporary rate hearing on August 4, 1999, as well as the terms and conditions of the Stipulation presented, and the provisions of RSA 378:27, we will approve the Stipulation Agreement provided by the Staff and parties. We note that the magnitude of the permanent rate increase requested in this docket, 28.9%, might in itself justify an increase in rates on a temporary basis to avoid potential rate shock to customers. However, we agree with the parties that avoiding an investigation for temporary rate purposes and moving directly to the investigation of permanent rates will shorten the total time needed to complete this proceeding and, thus, will ultimately be in the best interests of Hampton ratepayers. In addition, the complexity of this case, which includes a cost of service study, a depreciation study, and significant plant additions, as well as proposed rate design changes, also argues for maintaining current rates as temporary rates to simplify the ultimate reconciliation with permanent rates.

We are issuing this order on a Nisi basis because the Commission's procedural schedule in this docket, including the date for the August 4 temporary rate hearing, had not been

published prior to the hearing on temporary rates.

**Based upon the foregoing, it is hereby**

**ORDERED NISI**, that the Stipulation Agreement presented by the parties and Staff, providing for temporary rates at current levels for Hampton Water Works, Inc. is hereby APPROVED; and it is

**FURTHER ORDERED**, that the Petitioner shall cause a copy of this Order Nisi to be 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 September 6, 1999 and to be documented by affidavit filed with this office on or before September 16, 1999; and it is

**FURTHER ORDERED**, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than September 16, 1999; and it is

**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than September 21, 1999; and it is

**FURTHER ORDERED**, that this Order Nisi shall be effective September 29, 1999, unless the Commission provides otherwise in a supplemental order issued prior to the effective

date; and it is

**FURTHER ORDERED**, that the Petitioner shall file a compliance tariff with the Commission on or before September 29, 1999, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this thirtieth day of August, 1999.

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Douglas L. Patch  
Chairman

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Susan S. Geiger  
Commissioner

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Nancy Brockway  
Commissioner

Attested by:

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Thomas B. Getz  
Executive Director and Secretary