

DW 99-113

HANOVER WATER WORKS COMPANY

Petition for General Rate Increase

Order Approving Procedural Schedule

O R D E R N O. 23,363

December 7, 1999

On October 8, 1999, Hanover Water Works Company (Company), a New Hampshire public utility, filed with the New Hampshire Public Utilities Commission (Commission) a petition for a permanent rate increase of slightly more than 23 percent for all customer classes. This would represent an increase in annual revenues of \$192,186.

By Order No. 23,336 (November 4, 1999), the Commission suspended the proposed rates and scheduled a prehearing conference for November 30, 1999. At the duly noticed prehearing conference held on that date, the Commission received no requests for intervention, and Staff and the Petitioner summarized issues to be investigated in the proceeding. Staff requested permission at the prehearing conference to meet with representatives of the Company following the conference to prepare a proposed procedural schedule and submit in writing a schedule governing the remainder of the investigation. On November 30, 1999, Staff submitted the following proposed schedule:

Staff Data Requests, First Set

December 14, 1999

Company Data Responses	December 21, 1999
Staff Data Requests, Second Set	January 4, 2000
Company Data Responses	January 11, 2000
Testimony by Staff	February 4, 2000
Company Data Requests	February 11, 2000
Staff Data Responses	February 25, 2000
Settlement Conference	March 7, 2000
Filing of Settlement Agreement, if any	March 15, 2000
Hearing on the Merits	March 22-23, 2000

Also at the prehearing conference, in accordance with the Order of Notice, the Company and Staff stated their position with regard to the filing for the record. The Company indicated that it is unable to operate at current revenue levels because consumption is declining, the cost of complying with applicable environmental regulations is increasing and its aging distribution system is deteriorating. The Company noted that municipalization is under discussion, but remains only a long-term possibility. Staff indicated that its concerns relate to the magnitude of the proposed rate increase, the cost of capital, the Company's operation and maintenance expenses, its rate case expenses, and the relationship of the proposed rate increase to two planned step adjustments previously approved by the Commission in Order No. 23,007 (September 1, 1998).

We find the proposed procedural schedule to be reasonable and will, therefore, approve it for the duration of

the proceeding.

Based upon the foregoing, it is hereby

ORDERED, that the procedural schedule delineated above
is APPROVED.

By order of the Public Utilities Commission of New
Hampshire this seventh day of December, 1999.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary