

DR 98-128

CENTRAL WATER COMPANY, INC.

RATE CASE

**Order Granting Recovery of Rate Case Expenses
and Temporary Rate Reconciliation**

O R D E R N O. 23,455

May 1, 2000

On September 25, 1998, Central Water Company (Central or the Company) filed with the New Hampshire Public Utilities Commission (Commission) proposed rate schedules which would increase Central's revenues by 32.15% or a total annual increase of \$84,681 for the 625 customers at the Locke Lake Development in Barnstead, New Hampshire. Central stated in its prefiled testimony that it was not seeking temporary rates in this proceeding.

By Order No. 23,045 (October 27, 1998), the Commission suspended Central's proposed rate increase and scheduled a prehearing conference for November 13, 1998. The Commission noted that the filing raised, inter alia, issues related to consumption trends, operation and maintenance expenses, capital structure, rate base additions, management contract allocations and rate case expenses, all of which require a thorough investigation. On the same date as the prehearing conference, Central filed a petition and

supporting testimony for temporary rates.

The Commission conducted a hearing to address Central's request for temporary rates on January 21, 1999. By Order No. 23,151 (February 22, 1999), the Commission granted Central's request for temporary rates at the revenue levels stipulated to by Staff and Central, i.e., \$50,009, 18.99% over existing rates.

On October 25, 1999, the Commission granted Central a permanent rate increase of 12.2%, which equated to an increase in revenues of \$30,780 over pre-temporary rate levels. The effective date for the rates was set as December 1, 1999, per Order No. 23,326, dated October 25, 1999.

On November 19, 1999, just 25 days after the issuance of Order No. 23,326, and prior to the filing of a Motion for Rehearing or Appeal, Central filed a motion with the New Hampshire Supreme Court requesting suspension of the order pursuant to RSA 541:18. The Court ordered the State to file a reply by November 24, 1999. After receiving a timely filed response, the Court, on December 2, 1999, denied Central's motion.

On November 24, 1999, Central submitted one copy of its Motion for Rehearing with the Commission. The remaining eight copies were filed on November 29, 1999. Staff filed

its objection to the motion on December 6, 1999. On December 9, 1999, Central filed a request for waiver with respect to the prior late filing of the requisite copies of its Motion for Rehearing. Central also filed, on December 13, 1999, a response to Staff's Objection to the Motion for Rehearing.

On January 7, 2000, the Commission issued Order No. 23,386, denying Central's Motion for Rehearing.

On November 5, 1999, Central filed its request for rate case expense recovery. The Company requested the recovery of \$41,377.14 in expenses. Commission Finance Staff reviewed this submission, and has recommended the Company recover \$41,377.14 in expenses. However, the Company has over-collected \$32,421.22, the difference in the temporary rate increase of 18.99% authorized in Order No. 23,151 and the permanent rate increase of 12.2%, authorized in Order No. 23,326. Offsetting this reconciliation with the rate case expenses yields \$8,955.92 which the Company would normally be entitled to recover. However, the Staff's audit of Central revealed that the Company had over-collected rate case expenses and temporary rate reconciliation amounts from prior proceedings; therefore, we will order those over-collections totaling \$5,415.56 to offset the amounts recoverable by Central in this proceeding. We will authorize the remaining

balance of \$3,540.36 to be recovered, consistent with our Staff's recommendation, over an eight-month period. This amount will result in a monthly surcharge of \$.70 to each of Central's 635 customers.

Based upon the foregoing, it is hereby

ORDERED, that Central Water Co., Inc. is authorized to recover \$3,540 through a monthly surcharge of \$.70 applied to each customer's bill over an eight-month period; and it is

FURTHER ORDERED, that the Company provide a complete accounting of rate case expenses, including copies of vouchers as well as the front and back of the cancelled checks; and it is

FURTHER ORDERED, that the Company file compliance tariff pages reflecting the new permanent rate level, rate case expense surcharge, and temporary rate recovery surcharge, with supporting calculations, within ten days of the date of this Order.

By order of the Public Utilities Commission of New
Hampshire this first day of May, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary