

DW 01-196

ROLLING RIDGE WATER SYSTEM

Receivership Proceedings

Order Extending Receivership after Notice and Hearing

O R D E R N O. 23,836

November 2, 2001

This docket commenced on October 4, 2001, when the New Hampshire Public Utilities Commission (Commission) entered Order No. 23,794, exercising its authority under RSA 374:47-a to place Rolling Ridge Water System (Rolling Ridge) in receivership on an emergency basis. Rolling Ridge is a water utility in Bartlett serving approximately 30 customers. Order No. 23,794 determined that Rolling Ridge was failing to provide adequate and reasonable service to its customers, and that such failure was a serious and imminent threat to the health and welfare of the utility's customers. Accordingly, the Commission placed Rolling Ridge in receivership for a 30-day period and indicated that a hearing would be conducted in October 24, 2001 for the purpose of ascertaining the relevant facts and determining what course of action to take at the conclusion of the initial 30-day period. An emergency rate increase was granted, consistent with previous determinations made in Order No. 23,140, 84 NH PUC 115 (1999).

The hearing took place as scheduled. As required in

Order No. 23,794, a copy of the Order (and thus notice of the hearing) was furnished to the Town of Bartlett, the Lower Bartlett Water Precinct, the Bartlett Village Water Precinct, the Northeast Rural Community Assistance Program, counsel to the Estate of Robert A. DeMers (owner of Rolling Ridge), and each Rolling Ridge Customer. None of these entities or persons appeared at the October 24 hearing. The Commission heard testimony from Douglas Brogan of its Engineering Department, James Lenihan of its Economics Department and Thomas Mason of LRW Water Services, which was appointed receiver of Rolling Ridge in Order No. 23,794. Messrs. Brogan, Lenihan and Mason testified as to the circumstances of Rolling Ridge, confirming those outlined in the October 4 Order.

RSA 374:47-a limits utility receiverships to 30 days, "unless the commission otherwise directs after hearing and order." Based on the testimony adduced at hearing, we find that in order for Rolling Ridge to continue to provide safe and adequate water service to its customers, the public interest requires that the receivership be extended until such time as matters in Docket No. DW 99-166, Lower Bartlett Water Precinct, are resolved. That docket concerns overlapping franchise petitions submitted by the LBWP and BVWP, both of

which propose to supply water to the Rolling Ridge subdivision. We intend to address the issue of permanent water service plans in that docket or a companion docket as may be required.

Mr. Mason indicated that LRW Water Services is willing to remain as receiver of the Rolling Ridge system until such time as matters in Docket No. DW 99-166 are resolved, based on the written proposal referenced in Order No. 23,794. Pursuant to RSA 374:47-a, the Staff "shall have authority to gain access to all company assets and records, and to manage the company's assets in a manner which will restore or maintain an acceptable level of service." The statute also provides for the expenditure of existing utility revenues for labor and materials and the commitment of additional expenditures "as are essential to providing an acceptable level of service, such expenditures to be funded in accordance with generally accepted ratemaking practices." We direct Staff and the receiver to discharge these responsibilities.

Based upon the foregoing, it is hereby

ORDERED, that the receivership of Rolling Ridge Water System, imposed in Order No. 23,794, is hereby extended until further Order of the Commission, in Docket DW 99-166 or

otherwise; and it is

FURTHER ORDERED, that the receiver shall charge customers an annual rate of \$404.97 until the Commission shall otherwise direct; and it is

FURTHER ORDERED, that this docket shall remain open for the purposes of monitoring Rolling Ridge Water System during the period of its receivership.

By order of the Public Utilities Commission of New Hampshire this second day of November, 2001.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary