

DW 02-094

TIOGA RIVER WATER COMPANY

Petition for Permanent Rate Increase

Order Approving Procedural Schedule

O R D E R    N O.    24,045

August 28, 2002

**APPEARANCES:** Stephen P. St. Cyr & Assoc. by Stephen P. St. Cyr on behalf of Tioga River Water Company; and Marcia A. B. Thunberg, Esq. on behalf of the Staff of the New Hampshire Public Utilities Commission.

**I. BACKGROUND AND PROCEDURAL HISTORY**

On July 15, 2002, Tioga River Water Co. (Company) filed with the New Hampshire Public Utilities Commission (Commission) a petition for an increase in water rates for its Tioga Division (Tioga), located in Belmont, and the Gilford Village Water District (GVWD), located in Gilford. Petitioner has approximately 22 customers in Tioga, and approximately 36 customers in GVWD.

On July 24, 2002, the Commission issued an order suspending the proposed tariff and scheduling a prehearing conference and technical session for August 23, 2002. The prehearing conference was held as scheduled on August 23, 2002. There were no requests for intervention.

On August 26, 2002, Staff filed the following proposed procedural schedule with the Commission:



	Data Requests from Staff	August 30, 2002
	Data Responses from Companies	September 11, 2002
	Data Requests from Staff	September 25, 2002
	Data Responses from Companies	October 2, 2002
	Staff Testimony	October 23, 2002
	Settlement Conference	November 6, 2002
9AM		
	Settlement Filing Due (if any)	November 20, 2002
	Hearing	December 3, 2002
10AM		

## II. POSITIONS OF THE PARTIES

### A. Tioga/GVWD

Stephen P. St. Cyr appeared for Tioga and GVWD and stated that the proposed rate increases are necessary because the company operated at a net loss of \$4,407 for the test year ending October 31, 2001 for the two divisions. According to Mr. St. Cyr, actual losses in the two prior years exceeded the loss in the test year.

To remedy this loss, the rates proposed in the petition would have the following effect: Tioga's annual revenues would increase by \$2,307 or 22%, and the average annual increase per customer would be \$104.86; GVWD's annual revenues would increase by \$3,802 or 58%, and the average annual increase per customer would be \$105.61.

The Company also requested the rate increase go into effect on a bills rendered basis for November 1, 2002. The

Company also requested the Commission consider its request for exemption from regulation pursuant to RSA 362:4.

#### **B. Staff**

Staff expressed its concern that in two previous dockets involving Tioga River Water Company and Gilford Village Water District, DE 93-244 and DR 96-300, outstanding requirements were not timely satisfied. Specifically, in DE 93-244, GVWD was to have supplied information to establish accounting values for the assets, liabilities and capitalization of the purchased system. To date, this has not been done. In DR 96-300, Tioga was late in satisfying deadlines agreed to in the Commission-approved Settlement Agreement. Staff argued these instances cloud the Tioga and GVWD request for exemption from Commission regulation and that the Commission should deny such consideration in this docket.

Staff also requested the Company clarify who owns Tioga and GVWD, since the 2001 Annual Report and the proposed tariffs list two different company Presidents.

### **III. COMMISSION ANALYSIS**

#### **A. Procedural Schedule**

Having reviewed the procedural schedule, we find that it is reasonable and will aid in the orderly review of the rate case filing. We will approve the procedural schedule for the duration of the proceeding as submitted by Staff.

**B. Exemption Per RSA 362:4**

New Hampshire RSA 362:4 allows the Commission to exempt water companies from regulation if the company supplies less than 75 consumers and if the Commission deems the exemption consistent with the public good. NHRSA 362:4 (Supp. 2001). At the prehearing conference, the Commission learned that the companies had not timely met obligations in *Tioga River Water Company*, 82 NH PUC 312 (1997) and *Gilford Village Water System*, 80 NH PUC 543, 545 (1995).

We are concerned that the Company has not provided the Commission with accounting values for GVWD as ordered in DE 93-244. These values are an important consideration and may substantially impact customer rates. We encourage the company to resolve this issue in a timely manner in the instant proceeding.

The petitioner's request for exemption is premature.

Important issues such as establishment of accounting values and an audit of the company must be resolved. Additionally, it is important for Tioga River Water Company to establish it is a well run company and has a track record of compliance with Commission orders before it requests exemption from regulation. Accordingly, we deny the request for exemption without prejudice. Tioga and GVWD may renew their requests for exemption under RSA 362:4 at such time in the future as they deem appropriate.

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

**ORDERED**, that the procedural schedule set forth above is APPROVED and shall govern the remainder of this proceeding; and it is

**FURTHER ORDERED**, that the request for exemption pursuant to RSA 362:4 is denied without prejudice.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of August, 2002.

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Thomas B. Getz  
Chairman

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Susan S. Geiger  
Commissioner

Attested by:

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Michelle A. Caraway  
Assistant Executive Director