

DW 04-001

ATKINSON WOODS WATER COMPANY, LLC

Petition for Permanent Rates and Financing Approval

Order Approving Procedural Schedule and

Scheduling Hearing on Temporary Rates

O R D E R N O. 24,298

March 19, 2004

APPEARANCES: Stephen P. St. Cyr for Atkinson Woods Water Company, LLC; Boynton Waldron Doleac Woodman & Scott, P.A. by Francis X. Quinn, Jr. for Atkinson Woods Owners Association; and James Lenihan for Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY

On January 5, 2004, Atkinson Woods Water Company, LLC (Atkinson) filed with the New Hampshire Public Utilities Commission (Commission) a petition requesting financing approval and establishment of permanent rates. Atkinson requests authority to collect annual revenues of \$38,809 from its 56 customers, through a fixed quarterly charge of \$173.26 per customer. Atkinson also requests approval to borrow \$248,800 over 20 years at 7 percent interest from Hall Farm Realty Trust, a related party and the former owner of the water system. The petition also includes testimony, supporting financial schedules and agreements. The Purchase and Sale Agreement between Hall Farm Realty Trust and Atkinson identifies the purchased assets as including: pipes, pumps, tanks, wells, connections, switch

gear, electrical devices, regulators, accessories and appurtenances and accounts receivable. The \$248,800 promissory note, dated November 14, 2003, covers these assets.

Atkinson's filing indicates that, in the event the Commission suspended the permanent rate, Atkinson alternately requests an unspecified temporary rate. The Commission recently granted Atkinson Woods authority to serve the Atkinson Woods Condominium development. See, Order No. 24,244 (December 5, 2003) in Docket No. DW 03-103. Atkinson Woods does not operate any other water system.

On January 30, 2004, the Commission issued Order No. 24,272 which suspended the tariff filed by Atkinson with its petition, and ordered a prehearing conference be held on February 20, 2004. On February 17, 2004, the Commission received a Petition to Intervene from the Atkinson Woods Owners Association (Association).

The Commission held the prehearing conference as scheduled, on February 20, 2004, with a hearing examiner presiding. There was no opposition to the Association's Motion to Intervene. Following the prehearing conference, the Staff and parties met in a technical session in an effort to develop a procedural schedule to govern the proceeding.

II. POSITIONS OF THE PARTIES AND STAFF

A. Atkinson Woods Water Company, LLC

Atkinson described its request for an initial revenue requirement as well as financing approval, all as presented in its petition. Atkinson also indicated that it was requesting temporary rates.

B. Atkinson Woods Owners Association

Atkinson Woods Owners Association indicated its desire to participate in this proceeding and expressed concern with both the financing proposal and the proposed rates to be charged.

C. Staff

Staff indicated that it would require a thorough review of the proposed rates and the costs underlying those rates. Staff supported the development of a procedural schedule with opportunity for adequate discovery.

III. COMMISSION ANALYSIS

The report from the Hearings Examiner, dated March 1, 2004, indicated that Staff and the parties were unable to reach agreement on a procedural schedule at the technical session following the prehearing conference. Subsequently, however, on March 2, 2004, Staff submitted a proposed procedural schedule for our consideration. That schedule is as follows:

Temporary rate filing	March 12, 2004
Data requests on temporary rates	April 5, 2004
Data responses from Atkinson	April 12, 2004
Technical session/settlement	April 27, 2004
Hearing on temporary rates	May 27, 2004
Data requests on permanent rates	June 1, 2004
Data responses	June 14, 2004
Second set data requests	June 28, 2004
Data responses	July 12, 2004
Staff and intervenor testimony	August 2, 2004
Data requests on testimony	August 9, 2004
Data responses	August 23, 2004
Settlement conference	September 1, 2004
Rebuttal or filing of settlement	September 15, 2004
Hearing on settlement or merits	September 28-29, 2004

The proposed procedural schedule developed by Staff and the parties appears reasonable and we will approve it.

The procedural schedule calls for a filing to be made by Atkinson in support of its request for temporary rates, as well as establishment of a hearing date of May 27 for Commission consideration of that request. We note that the temporary rate filing was received on March 12, and in it Atkinson requests a temporary rate of \$59.91 per customer per quarter. In order to assure that all customers are aware of Atkinson's request for temporary rates in this proceeding, and to fulfill the requirements of RSA 378:27 for reasonable notice and hearing, we will require Atkinson to provide a copy of this order to each of its 56 customers no later than April 1, 2004.

Based upon the forgoing, it is hereby

ORDERED, that the Procedural Schedule submitted by Staff and the parties as detailed above is APPROVED; and it is

FURTHER ORDERED, that Atkinson provide a copy of this order to each of its 56 customers no later than April 1, 2004, and it is

FURTHER ORDERED, that the Motion to Intervene filed by Atkinson Woods Owners Association is GRANTED.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of March, 2004.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Graham J. Morrison
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary