

DW 02-128

HAMPSTEAD AREA WATER COMPANY

Petition for Rate Increase

Order Approving Stipulation

ORDER NO. 24,362

August 19, 2004

APPEARANCES: Robert H. Fryer, Esq., representing Hampstead Area Water Company; F. Anne Ross, Esq., of the Office of Consumer Advocate, representing Residential Ratepayers of New Hampshire; and Marcia A.B. Thunberg, Esq., representing Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY

On July 2, 2002, Hampstead Area Water Company (Hampstead) filed with the New Hampshire Public Utilities Commission (Commission) its notice of intent to file rate schedules, and on September 27, 2002, Hampstead filed a petition, including financial schedules and supporting testimony, for an increase in permanent rates for all three of its divisions (Hampstead Area Water Company, Walnut Ridge Water Company and Lancaster Farm) as well as for a consolidated rate for all three. The three divisions were separate companies until merged as approved by Commission Order No. 23,954 on April 19, 2002. Hampstead proposed an overall annual revenue increase to be applied on a consolidated basis for the three areas.

On October 4, 2002, the Office of Consumer Advocate notified the Commission of its intent to intervene on behalf of New Hampshire residential ratepayers. On October 25, 2002, the Commission issued Order No. 24,071, suspending the proposed tariff. It further ordered that a Prehearing Conference and Technical Session be held on November 20, 2002.

The Prehearing Conference was held on November 20, 2002. The Office of the Consumer Advocate and Commission Staff expressed their concern that review of a franchise

expansion request, docketed as DW 02-198, be completed prior to the consideration of Hampstead's permanent rate request in the instant proceeding. The Staff, OCA and Hampstead were instructed to suggest a procedural schedule which would incorporate both DW 02-128 and DW 02-198. The Staff and parties met in a Technical Session following the Prehearing Conference and subsequently filed a proposed procedural schedule on December 4, 2002.

On December 2, 2002, Hampstead filed with the Commission a Petition for Temporary Rates, in DW 02-128, for the Hampstead and Walnut Ridge Divisions. Hampstead indicated that this filing would result in rates 14% higher than those in effect for the Hampstead division, and 17% higher than current rates for the Walnut Ridge division. Hampstead asserted that an increase in revenues was required because the company was not earning a return adequate to cover its cost of capital or a reasonable return on its property used and useful in providing service.

On December 13, 2002, the Commission issued Order No. 24,096, which provided notice of Hampstead's temporary rate request, established a hearing on temporary rates to be held on January 10, 2003, approved procedural schedules for both DW 02-128 and DW 02-198, corrected a notice deficiency in Order No. 24,071, and allowed interested parties an opportunity to intervene in this docket.

On December 23, 2003, Hampstead modified its Petition for Temporary Rates. Hampstead stated that, after discussions with Staff, it would now request temporary rates at existing levels, and for all of its customers, not just the Hampstead core and Walnut Ridge divisions. The Commission held a duly noticed hearing on temporary rates on January 10, 2003. On January 22, 2003, the Town of Hampstead notified the Commission of its intent to intervene

in this action. On January 31, 2003, the Commission issued Order No. 24,119 approving Hampstead's modified request for temporary rates.

On March 10, 2003, Staff and the Parties requested that the procedural schedule be temporarily suspended in order to allow Staff to conduct a financial audit and engage in other discovery. The Commission granted the suspension request by a Secretarial Letter dated March 25, 2003.

On September 17, 2003, Hampstead filed a Motion for Treatment of Certain Financial Information of Related Party as Confidential pursuant to NH Admin. Rule Puc 204.06. Hampstead filed the information in response to questions raised by Audit Staff regarding the overhead costs of Lewis Builders Development Inc. (Lewis Builders), which is Hampstead's contractor for management services, and which has common ownership interests with Hampstead. In support of its motion, Hampstead argued that Lewis Builders' overhead costs are commercially sensitive and, if released to the public, would constitute an invasion of privacy. Hampstead stated that Lewis Builders keeps the overhead information confidential and takes steps to prevent public disclosure of the information. Hampstead further averred that disclosure of this information would put Lewis Builders at a competitive disadvantage. On October 30, 2003, Staff filed a letter with the Commission indicating it concurred with Hampstead's motion for confidential treatment and that the Office of the Consumer Advocate takes no position on the motion.

On October 3, 2003, Staff submitted a proposed procedural schedule for Dockets DW 02-128 and DW 02-198, with further modifications filed on November 13, 2003. On November 21, 2003 the Commission issued Order No. 24,241 which approved the revised

procedural schedules and granted Hampstead's Motion for Protective Treatment. The procedural schedule for the instant docket provided for a hearing on the merits on June 9, 2004.

On March 18, 2004, Hampstead submitted a letter to the Commission indicating that, after extensive discussions with the Staff and Parties, it was withdrawing its petition for rates in this docket. Hampstead further stated that, in light of certain problems pointed out by Staff and the Staff's auditors, continuing with its request for rates was untenable. Hampstead stated that it intended to enter into a settlement agreement that would address the outstanding issues.

On June 22, 2004, a fully-executed Stipulation among Hampstead, Staff, and the OCA was submitted to the Commission. The Commission heard the matter on July 7, 2004.

II. STIPULATION

This Stipulation was entered into by Hampstead, the OCA, and Staff on June 18, 2004, and represents their recommendation to the Commission with respect to Hampstead's petition. The Town of Hampstead did not participate in the Stipulation. At hearing, Staff stated it had informed the Town's designated representative that Staff and OCA were considering a Stipulation. However, the Town did not respond to Staff's phone calls. The Stipulation offers a comprehensive conclusion to numerous issues that arose in the rate case as follows:

A. Profit on Assets Constructed by Lewis Builders

1. Hampstead, OCA and Staff agreed that there are three scenarios where profit on water system assets constructed by Lewis Builders (a construction company and a related party) becomes an issue to be resolved in circumstances where those assets are not contributed as Contributions in Aid of Construction (CIAC) by Lewis Builders. Those three circumstances are: a) third-party contracts, where Lewis Builders installs a water system as part

of a new development for a third-party developer, which in turn hands the system back to Hampstead; b) Lewis Builders builds a new development itself, installs a water system, and then turns the water system over to Hampstead in exchange for a fixed payment per connection; and c) the same scenario as item b) as well as where improvements to an existing system are built by Lewis Builders for Hampstead, but that the water system and/or improvements are to be booked on Hampstead's books at Lewis Builders' costs plus a profit.

2. In order to ensure a consistent approach for Hampstead going forward as to how to book water system assets under the three scenarios, Hampstead, OCA and Staff agreed that in scenario a) Hampstead may pay the third-party developer a certain fixed fee per residential or commercial connection, and such amount will be booked to Hampstead's plant accounts. The amounts to be booked to the various plant accounts (wells, pumps, mains, services, etc.) will be in proportion to similar community water systems Hampstead owns. Hampstead will then install water meters, which will be booked at original cost. If Lewis Builders installs the meters, Lewis Builders' costs will be fully covered (including labor burden and G&A overhead costs) but no profit to Lewis Builders shall be included.

3. For systems constructed under scenario b), Hampstead, OCA and Staff agreed that the same plant accounting as for systems in scenario a) will be performed.

4. For systems constructed under scenario c), Hampstead, OCA and Staff agreed that water system assets transferred to Hampstead by Lewis Builders will be booked at Lewis Builders' costs (including labor burden and G&A overhead costs); and any profit allowed to Lewis Builders over and above such costs may only appear on Hampstead's books of accountancy as "CIAC", contributed either by Peter Lewis or by Lewis Builders, but under no circumstances will such additional profit be included prior to inclusion in Hampstead's rate base.

5. For purposes of the Stipulation, labor burden and G&A overhead costs shall consist of those direct and indirect costs incurred by Lewis Builders related to the operation of the water utility, but shall exclude costs that relate solely to the real estate development business of Lewis Builders.

B. Labor Burden/General & Administrative Overhead

1. Hampstead, OCA and Staff agreed that Hampstead will make a filing with the Commission on a revised Management/Service Agreement between Hampstead and Lewis Builders within 60 days of the Commission's order approving the Stipulation. The filing will also detail the labor burden and G&A overhead costs to be allocated to plant assets constructed for Hampstead by Lewis Builders.

2. Hampstead, OCA and Staff agreed that allocation of labor burden and G&A overhead costs to plant assets constructed by Lewis Builders for Hampstead will exclude costs that relate solely to the real estate development business of Lewis Builders.

3. Hampstead, OCA and Staff agreed that the labor burden and G&A overhead allocations to plant assets will contain no profit to Lewis Builders.

C. Rates to be Applied to New Franchises Approved in DW 02-198

1. In DW 02-198, the Commission approved a Stipulation Agreement between Hampstead and Staff (Order No. 24,296, issued March 19, 2004). In that Agreement, Hampstead and Staff agreed that the rates to be applied to the new franchises (Camelot Court, Cornerstone Estates, and Lamplighter Estates) would be determined in the instant proceeding. Since Hampstead has agreed to withdraw its request for a permanent rate increase in this proceeding and instead enter into this Stipulation, Hampstead, OCA and Staff agreed that

permanent rates must be established for the new franchises approved in DW 02-198 since there are no rates being charged in those franchises as yet.

2. Hampstead, OCA and Staff agreed that, within 60 days of the Commission's order approving this Stipulation, Hampstead will make a filing for permanent rates for the satellite systems covered by DW 02-198 (i.e., Camelot Court, Lamplighter and Cornerstone Estates). The rates sought in that filing will be on the basis of actual costs of (a) providing service in those systems, and (b) a reasonable return on the cost of installed meters.

D. Purchase Price/Financing Amount for New Systems Approved in DW 02-198

1. Hampstead, OCA and Staff agreed that the purchase price for the new systems approved in DW 02-198, and the amount to be financed, will be \$398,068. There are three satellite systems (Lamplighter Estates, Camelot Court and Cornerstone Estates) which are considered CIAC with the exception of meters for which Hampstead has already paid. There are also three supplemental systems: Bartlett Brook, Settler's Ridge and Cogswell Farms. These systems are within previously-approved franchise areas, but the assets for these systems have not yet been formally purchased from Lewis Builders by Hampstead. These are the systems that will be financed.

E. Asset Valuation Issues Raised in DW 02-198 and DW 03-150

Hampstead, OCA and Staff agreed that asset valuation issues raised in DW 02-198 and DW 03-150 and deferred to this proceeding by the Agreements in those proceedings, will be resolved in accordance with the relevant provisions of this Stipulation.

F. Modifications to Stipulation Agreement in DW 03-150

In the Agreement entered into by Hampstead and Staff in DW 03-150, and approved by the Commission in its Order No. 24,299 (March 26, 2004), Hampstead agreed to

file a petition for purchase of the assets of Cricket Hill/Maplevale Farms and Woods and Residences at Maplevale, as well as a petition for financing related thereto, no later than July 1, 2004. Hampstead, OCA and Staff agreed that, because Hampstead is required to file a comprehensive financing petition as a part of its compliance with the provisions of this Stipulation, Hampstead should be permitted to include the financing aspect of the DW 03-150 compliance in the financing petition contemplated herein. In addition, with respect to a petition to purchase the assets of the franchises in DW 03-150, Hampstead agrees to file a petition no later than 60 days following the Commission's order approving the Stipulation.

G. Franchises

1. In this proceeding, Staff discovered that it appeared that Hampstead was serving some customers that were not located within approved franchise boundaries. Hampstead, OCA and Staff agreed that Hampstead will provide a complete and detailed list of systems served, including those that are contained within the "Hampstead core" and the "Atkinson core". This list will include the dates these systems were either built or acquired, as well as the number of customers presently served within each system. Hampstead agreed to provide franchise maps which show the appropriate boundaries for all approved franchise territories. For all areas in which Hampstead is presently providing service, Hampstead agreed to provide evidence of authority to serve these areas. For any and all areas where Hampstead is serving customers and Hampstead has not previously received franchise authorization from the Commission, Hampstead agreed to petition for such authorization no later than 60 days following the Commission's order approving the Stipulation.

2. Hampstead, OCA and Staff acknowledged that Hampstead has already made filings in response to issues raised by Staff in this proceeding related to franchises. For the

Company's Hampstead Area Division franchises, Hampstead's filing has been docketed by the Commission as DW 04-062. For the Company's Walnut Ridge Division franchises, Hampstead's filing has been docketed as DW 04-055. Hampstead, OCA and Staff agreed that those filings have yet to be evaluated as to their compliance with the terms of the Stipulation, and that Hampstead will correct any deficiencies therein in accordance with normal practice before the Commission.

H. Current Rates Charged to Customers

1. In this proceeding, Staff reviewed all of Hampstead's existing tariffs and the Commission orders that approved the rates charged in those tariffs. Staff was unable to cross-reference all rates being charged with Commission orders. Hampstead agreed to provide a listing of all customers presently served, including service addresses, name of system, and the current rate being charged. Information for the customers served within the "Hampstead core" and the "Atkinson core" shall also be detailed by sub-system.

2. Hampstead agreed to provide evidence of authority for the rates it is currently charging in all of its presently-franchised areas as well as in all of the systems contained within the two "core" systems. For any and all areas where Hampstead may be charging rates that it was not previously authorized to charge, Hampstead agreed to submit a petition seeking such authorization within 60 days of the date of the Commission's order approving the Stipulation.

3. Hampstead, OCA and Staff acknowledged that Hampstead has already made filings in response to issues raised by Staff in this proceeding related to current rates charged to customers. For the Company's Hampstead Area Division franchises, Hampstead's filing has been docketed by the Commission as DW 04-062. For the Company's Walnut Ridge

Division franchises, Hampstead's filing has been docketed as DW 04-055. Hampstead, OCA and Staff agreed that those filings have yet to be evaluated as to their compliance with the terms of the Stipulation, and that Hampstead will correct any deficiencies therein in accordance with normal practice before the Commission.

I. Plant Data and Cost Records

1. Hampstead agreed to undertake a complete and detailed inventory of all fixed assets in each system it owns. This inventory would include, but not be limited to, wells, pumps, tanks, filtration equipment, treatment equipment, structures, mains, services, hydrants, meters, etc. Hampstead also agreed to provide, to the extent of its reasonable best efforts, the historical costs for each item of fixed plant. Hampstead agreed to use any and all sources of information at its disposal to document for all assets the sources used for the value assigned to that asset. The inventory shall include fixed assets in rate base as well as fixed assets considered to be CIAC. Commission Audit Staff will review Hampstead's inventory for accuracy and completeness.

2. Hampstead agreed that the plant data and cost records it compiles will be used to update and complete its Continuing Property Records (CPR's) as well as to update its depreciation/amortization records. Hampstead further agreed to complete and submit CPRs for review by the Commission's Audit Staff prior to the filing of a new general rate case.

J. Accounting and Reporting

1. Consistent with the final Audit Report completed by the Commission's Audit Staff in this proceeding, Hampstead agreed to compile and maintain CPRs for all items of fixed plant. These CPR's shall comply with Section 610.01(e)(20) of the NHPUC Uniform System of Accounts (USOA) for Water Utilities (Part Puc 610). The Audit Staff will review the

Company's CPRs, once compiled, in order to determine that they are in compliance with NHPUC Rules and Regulations.

2. Hampstead agreed to develop and maintain a Work Order System that is in compliance with Section 610.01(e)(19) of the NHPUC USOA for Water Utilities (Part Puc 610). The Audit Staff will review the Company's Work Order System, once completed, in order to determine whether it is in compliance with NHPUC Rules and Regulations. Hampstead agreed to utilize the NHPUC Chart of Accounts for Water Utilities as contained in Part Puc 610.

3. Hampstead, OCA and Staff agreed that, beginning with Hampstead's 2004 fiscal year, Hampstead will separately account for its revenues and expenses and its fixed plant and depreciation, including CIAC, by tariffed system. Hampstead shall continue to do so for all future years until such time as the Commission permits otherwise.

K. Management/Service/Rental Agreement and Fees

1. During the course of this proceeding it became apparent to Staff and the Parties that the existing Management/Service/Rental Agreement between Hampstead and Lewis Builders was not adequate in describing 1) what services (such as vehicle maintenance and repair) and rental space and supplies (such as gasoline) Hampstead receives under that Agreement, and 2) what the true costs of those services are. Therefore, Hampstead, OCA and Staff agreed that Hampstead will revise its Management/Service/Rental Agreement with Lewis Builders. As a part of that revised Management/Service/Rental Agreement, and in consideration of the size that Hampstead has attained, Hampstead will consider shifting one or more Lewis Builders employees to its own payroll in an effort to reduce the complexity of the Management/Service/Rental Agreement.

2. Hampstead also agreed to incorporate rental fees, vehicles, and all other items that it had previously depended on Lewis Builders to provide as a part of the new Management/ Service/Rental Agreement. Hampstead agrees that it will substantiate the costs for any and all rental agreements it enters into with Lewis Builders or any other related party based on market rates then existing in Atkinson for similar space. For all other services, Hampstead agrees that it will substantiate the costs it agrees to pay, using Lewis Builders' actual costs (including labor burden and G&A overhead costs), but excluding any profit to Lewis Builders or any related third party. Hampstead will file its proposed new Management/Service/Rental Agreement pursuant to RSA 366 within 60 days of the Commission order approving the Stipulation.

L. Long Term Debt

1. For all notes payable currently carried by Hampstead on its books, Hampstead agreed to provide evidence of authority for each.
2. For any note which was not authorized by the Commission, Hampstead agreed to request such authorization in a filing to the Commission to be made no later than 60 days following the date of the Commission order approving the Stipulation.
3. Hampstead, OCA and Staff agreed that the petition for financing approval contemplated under this section may also include the requests for financing approval in dockets DW 02-198 and DW 03-150 as referenced in the Stipulation.

M. Ownership Issue

1. During the course of discovery and settlement negotiations, questions arose with regard to the ownership of the three formerly separate companies (Hampstead Area Water Company, Inc.; Walnut Ridge Water Company, Inc.; and, Lancaster Farms Water

Company, Inc.), as well as the presently-merged Hampstead Area Water Company, Inc. In order to clarify the present ownership of Hampstead Area Water Company, Inc., Hampstead, OCA and Staff agreed that Hampstead shall provide the corporate minute books to the Commission Audit Staff at Lewis Builders' headquarters at a time convenient to the Audit Staff within two business days of such request. Should Audit Staff desire other documents for review, Hampstead shall provide them.

N. Temporary Rates

1. Hampstead, OCA and Staff agreed that the temporary rates at existing levels currently in effect in this docket as approved by the Commission in its Order No. 24,119 (January 31, 2003) will terminate without reconciliation upon issuance of the Commission's order approving the Stipulation. All rates in effect will continue but will no longer be considered temporary rates as defined in RSA 378:27.

2. Hampstead, OCA and Staff agreed that the Commission has the authority to terminate Hampstead's temporary rates without reconciliation under RSA 378:29. Hampstead agreed it has no right to reconciliation of its temporary rates since Hampstead withdrew its petition for a permanent rate earlier in this proceeding. Thus, Hampstead, OCA and Staff request as a part of this Agreement that the Commission dismiss its prior order on temporary rates.

O. Rate Case Expenses

1. Hampstead, OCA and Staff agreed that Hampstead will not seek recovery of any rate case expenses, whether paid directly to a consultant or other outside advisor, or whether incurred through its existing Management/Service Agreement with Lewis Builders.

2. Hampstead, OCA and Staff agreed that Hampstead will not seek recovery of rate case expenses incurred in this proceeding either directly, through a surcharge to customers, or indirectly, through a future revenue requirement established by the Commission.

III. COMMISSION ANALYSIS

This proceeding was originally noticed as a rate proceeding and the Commission commenced investigating whether Hampstead's proposed rate increase was just and reasonable pursuant to RSA 378:7. In circumstances where a utility wishes to increase rates, the utility bears the burden of proving the necessity of the increase pursuant to RSA 378:8. The record indicates problems developed during discovery which caused Hampstead to withdraw its rate filing altogether. The rate case turned into an investigation into Hampstead's noncompliance with numerous statutory and regulatory obligations. The Stipulation presented to the Commission by Hampstead, OCA, and Staff satisfactorily addresses, in a comprehensive manner, numerous compliance concerns.

The Stipulation also specifies how profits are to be determined when assets ultimately held by Hampstead involve Lewis Builders, a related entity. We are satisfied that the provisions limiting profits on certain scenarios involving Lewis Builders are adequate to ensure that ratepayers provide a return on assets only once.

Regarding labor and overhead issues, we agree that Section III.B. of the Stipulation requiring Hampstead to file a Management/Service Agreement detailing its relationship to Lewis Builders and requiring Hampstead to allocate labor burden and general and administrative costs in a certain manner provides assurance that allocations of costs to water system assets are appropriate and contain only actual costs incurred in construction of new water systems. The requirement that Hampstead develop and maintain a Work Order System and

adhere to the Commission's Chart of Accounts will aid the Commission's Audit Staff in confirming Hampstead's proper allocation of the labor burden and general and administrative costs.

Regarding financing and valuation provisions contained in Sections D, E, and F, for Bartlett Brook, Settler's Ridge, Cogswell Farms, Cricket Hill/Maplevale Farms and Woods, Residences at Maplevale, we agree that these provisions will ensure that outstanding issues from DW 02-198 and DW 03-150 will be appropriately resolved. In addition, Section III.I. requiring Hampstead to undertake a complete and detailed inventory of all fixed assets per system, and requiring Hampstead keep Continuing Property Records (CPRs), will aid in resolving the issues that remain outstanding.

The Stipulation contains provisions to assist Hampstead in rectifying instances in which it may be serving beyond its franchise and imposing charges in areas in which it lacks authority. Section III.G. requires Hampstead to comply with RSA 374:22 and provide evidence that the Commission authorized it to serve in certain areas. Section III.H. requires Hampstead to comply with RSA 378:1 and RSA 378:3 and provide evidence it is properly charging certain rates. In each case where Hampstead may not have sought franchise authority, or is not properly charging a certain rate, Hampstead has agreed to make appropriate filings seeking such authority. We agree these provisions are reasonable and necessary to bring Hampstead into compliance with statutory requirements.

The Stipulation contains a provision terminating temporary rates. In Order No. 24,119 (January 31, 2003) we approved temporary rates at existing levels for Hampstead in accordance with RSA 378:27. An aspect of setting temporary rates pursuant to RSA 378:29 is that a utility may amortize and recover the difference between the gross income obtained from

the rates prescribed in the temporary rate order and the gross income which would have been obtained under the rates finally determined, if applied during the period such temporary order was in effect. Because this rate proceeding is concluding without a determination of permanent rates, there can be no reconciliation of the temporary rates. Consequently, Hampstead, OCA, and Staff request the Commission dismiss Order No. 24,119. While we cannot “dismiss” an order, we find that there is no basis for refund or recoupment, and we direct that temporary rates no longer be collected, and that previous rates be reinstated as permanent rates.

The testimony at hearing established that this Stipulation is a comprehensive review of Hampstead’s operations. Furthermore, it is clear that in order for Hampstead to file a general rate case in the future, it must be able to substantiate its costs and its plant investment. Moreover, the Stipulation, among other things, responds to Hampstead’s failure to keep its books and records by not allowing Hampstead to recover any of its rate case expenses in this proceeding. We conclude that Hampstead’s forfeit of recovery of the considerable expense of this docket is a reasonable penalty under the circumstances. Accordingly, we find that the Stipulation presented by Hampstead, OCA, and Staff is in the public interest and constitutes an appropriate outcome for this proceeding.

Based upon the foregoing, it is hereby

ORDERED, that the Stipulation Agreement presented in this proceeding is **APPROVED**; and it is

FURTHER ORDERED, that the temporary rates authorized by Order No. 24,119 are terminated as of the date of this Order and that the previous rates are reinstated as permanent rates; and it is

FURTHER ORDERED, that within 60 days of the date of this Order, Hampstead shall file a revised Management/Service Agreement between Hampstead and Lewis Builders; and it is

FURTHER ORDERED, that within 60 days of the date of this Order Hampstead shall file for permanent rates for Camelot Court, Lamplighter Estates, and Cornerstone Estates; and it is

FURTHER ORDERED, that within 60 days of the date of this Order Hampstead shall file a petition for the purchase of assets in the Cricket Hill/Maplevale Farms and Woods and Residences at Maplevale franchises as approved in DW 03-150; and it is

FURTHER ORDERED, that within 60 days of the date of this Order Hampstead shall file for franchise approval for any and all areas where it is presently serving customers and for which Hampstead has not previously received franchise approval from the Commission; and it is

FURTHER ORDERED, that within 60 days of the date of this Order Hampstead shall file for authorization to charge rates in any and all areas in which it is serving customers that it was not previously authorized to charge rates; and it is

FURTHER ORDERED, that within 60 days of the date of this Order Hampstead shall file for approval of any financings for which it has not previously received Commission approval.

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

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary