

DW 05-054

SACORIDGE WATER, INC.

Petition for Permanent Rate Increase and Financing Approval

**Order Suspending Proposed Tariff and
Scheduling Prehearing Conference**

ORDER NO. 24,475

June 16, 2005

Sacoridge Water Inc., (Sacoridge) provides water service to approximately 33 customers in a limited area of the Town of Bartlett, New Hampshire. Sacoridge is a wholly owned subsidiary of Saco Ridge Corporation. On May 2, 2005, Sacoridge filed with the New Hampshire Public Utilities Commission (Commission) a Notice of Intent to file rate schedules. On June 1, 2005, Sacoridge filed a petition for an increase in permanent rates. In support of its request for a permanent rate increase, Sacoridge filed financial schedules, as well as prefiled testimony of David A. Eliason, the former treasurer of Sacoridge and son of Alan Eliason, the President of Sacoridge.

Sacoridge seeks an overall increase in annual revenues in the amount of \$22,479 or 142.1%. The proposed revenue increase, if approved, would result in an annual flat rate of \$1,160.78. Sacoridge asserts that the permanent rate increase is required due to Sacoridge's inability to adequately cover operation and maintenance costs. Sacoridge cited two instances in which it had to seek a loan from Saco Ridge Corporation in order to make necessary repairs to its aging water system. Sacoridge also cited its inability to properly service debt it incurred back in 1992. Lastly, Sacoridge cited the fact that its existing flat annual rate of \$479 was established on January 13, 1989, by Commission Order No. 19,292, in Docket DR 87- 204 and is outdated. Sacoridge also seeks to modify its tariff to include late payment penalties.

The filing raises, inter alia, issues related to: RSA 378 and the justness and

reasonableness of rates, fares, and charges; the level of operation and maintenance costs; the return on plant used and useful in the provision of water service; how costs incurred prior to and subsequent to the Sacoridge's test year ending December 31, 2004 should be treated; and, RSA 369 and the terms and use of Sacoridge's financing with Saco Ridge Corporation and Commission approval *nunc pro tunc*.

Based on the foregoing, it is hereby

ORDERED, that Sacoridge Water, Inc. NHPUC NO. 1 Second Revised Page No. 6 is hereby suspended in order to conduct a thorough investigation prior to rendering a final order in this proceeding; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.05, be held before the New Hampshire Public Utilities Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on July 21, 2005 at 10:00 a.m. at which each party and Commission Staff will provide a preliminary summary of its positions with regard to the Petition; and it is

FURTHER ORDERED, that immediately following the Prehearing Conference, PEU, Commission Staff and Intervenors hold a Technical Session to review the noticed issues and determine a proposed procedural schedule for consideration of the issues raised in the petition; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.01, Sacoridge notify all persons desiring to be heard at this hearing by providing to each customer of Sacoridge and the Bartlett Town Clerk, a copy of this Order of Notice by first class mail postmarked no later than July 1, 2005 as well as publishing a copy of this Order of Notice no later

than June 24, 2005, in a newspaper having circulation in the Sacoridge's service area documented by affidavit filed with the Commission on or before July 21, 2005; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to Sacoridge and the Office of the Consumer Advocate on or before July 19, 2005, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.02 (a)(2); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before July 21, 2005.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of June, 2005.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Michael D. Harrington
Commissioner

Attested by:

Debra A. Howland
Executive Director and Secretary

Any individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-7319; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Preferably, notification of the need for assistance should be made one week before the scheduled event.