

DW 06-101

WHITE ROCK WATER COMPANY

Petition for Permanent Rates

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

ORDER NO. 24,674

September 29, 2006

White Rock Water Company, Inc. (White Rock or the Company) is a regulated public utility pursuant to RSA 362:2 and 362:4 that provides water service to approximately 95 customers in the Town of Bow. On July 14, 2006, White Rock filed a notice of intent to file rate schedules with the New Hampshire Public Utilities Commission (Commission).

On September 12, 2006, White Rock filed testimony and schedules in support of its requested rate increase. White Rock seeks to increase its operating revenues by \$18,541 or 33% over its 2005 test year level. White Rock's report of proposed rate changes indicates that customers will see an average annual residential water bill increase from \$596 to \$791 if the Commission approves the petition as submitted. White Rock has proposed that the rate increase become effective on October 13, 2006.

The Company avers that the proposed increase in revenues is necessary in that the test year ending December 31, 2005, shows a negative 2.3% rate of return based upon cost increases due primarily to higher production expenses, property taxes, and annual depreciation expense.

The filing raises, inter alia, issues related to: whether the proposed permanent rates are lawful, just and reasonable as required by RSA 378; whether test year expenses and *pro forma* adjustments are reasonable; whether the calculation of rate base represents prudent

investment in property that is used and useful; the determination of a reasonable rate of return, including an appropriate capital structure; whether the level of revenues used for calculating the revenue requirement is reasonable; and whether the proposed rate design is fair and reasonable.

Based upon the foregoing, it is hereby

ORDERED, that White Rock Water Company, Inc. tariff page NHPUC No 1. - WATER – 11th Revised Page 17 be and is hereby suspended; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the New Hampshire Public Utilities Commission located at 21 South Fruit Street, Concord, New Hampshire on October 31, 2006, at 10:00 am 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, White Rock, Commission Staff and Intervenors hold a technical session to review the issues and recommend a proposed procedural schedule for consideration of permanent rates; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, White Rock notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 10, 2006, in a newspaper of general circulation in the Bow area, publication to be documented by affidavit filed with the Commission on or before October 31, 2006; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to White Rock and the Office of the Consumer Advocate on or

before October 26, 2006, 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 203.17 and RSA 541-A:32, I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 31, 2006.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of September, 2006.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Clifton C. Below
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary

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 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.