

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 10-159

WEST SWANZEY WATER CO., INC.

Permanent Rate Increase Proceeding

**Order Suspending Proposed Tariffs
and
Scheduling a Prehearing Conference**

ORDER NO. 25,152

October 7, 2010

West Swanzey Water Company, Inc. (West Swanzey or the Petitioner) is a regulated public utility that provides water service to approximately 75 customers in the Town of West Swanzey. On June 7, 2010, West Swanzey filed a notice of intent to increase its rates and contemporaneously submitted a request to waive certain filing requirements of N.H. Code Admin. R. Puc 1604.01. West Swanzey states that the waiver is appropriate in that the reports or financial statements required by the rule are either not produced, or are inapplicable to West Swanzey. The reports for which West Swanzey requested a waiver include: monthly and quarterly reports; Stockholder reports; advertising, cost of service, and expense reports; and Securities and Exchange Commission filings. On September 8, 2010, West Swanzey filed its rate schedules pursuant to N.H. Code Admin. R. Puc 1600 as well as materials supporting its proposed permanent rate increase. West Swanzey states that, in order to expedite the proceeding and minimize rate case expenses to customers, it is not requesting temporary rates pursuant to RSA 378:27. West Swanzey seeks a permanent increase in its annual revenue requirement by

\$10,126, or 17.13%, to a total of \$69,242. West Swanzey reports that it has had a net loss for a number of years and that in 2009, its net loss was \$5,898. If approved, the proposed 17.13% increase would affect metered water rates as follows: the quarterly service charge for customers taking service through a 5/8-inch meter would increase from \$6.82 to \$7.99; and the consumption charge would increase from \$0.566 per 100 gallons to \$0.663 per 100 gallons of water consumed.

The proposed 17.13% increase is also proposed for West Swanzey's private fire protection rates for its nine private fire protection customers. Customer rates for 1-inch service would increase from \$25.00 per quarter to \$29.29. West Swanzey proposed October 1, 2010, as an effective date for permanent rates, however, the rates will not go into effect as of that date because the tariffs were not signed and did not provide the 30-day notice required by RSA 378:3.

With respect to West Swanzey's waiver request, we will grant the request insofar as West Swanzey is a very small utility and does not produce the aforementioned information, reports or filings for which the waiver is requested. The orderly and efficient resolution of this proceeding will not be disrupted by this waiver inasmuch as the parties and Staff can avail themselves of the discovery process to obtain whatever information is needed to review West Swanzey's rate filing. This order and other filings in this docket, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at: <http://www.puc.nh.gov/Regulatory/Docket/2010/10-159.htm>.

The filing raises, *inter alia*, issues related to: RSA 378:7 and RSA 378:27-28 and whether the proposed permanent rates are lawful, just, and reasonable; 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 in the provision of utility service; the determination of a reasonable rate of return, including an appropriate capital structure; and whether the level of revenues used for calculating the revenue requirement is reasonable.

Based on the foregoing, it is hereby

ORDERED, that WEST SWANZEY WATER COMPANY, INC's NHPUC NO. 2 WATER – First Revised Pages 10, and 11, are hereby suspended; and it is

FURTHER ORDERED, that a waiver of N.H. Code Admin. R. Puc 1604.01 Rate Case Filing Requirements is hereby granted pursuant to Puc 201.05; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. R. Puc 203.15, be held before the New Hampshire Public Utilities Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on November 19, 2010 at 10:00 a.m. at which each party and Staff will provide a preliminary summary of its positions with regard to the filing; and it is

FURTHER ORDERED, that immediately following the Prehearing Conference, West Swanzey, Staff, and any intervenors hold a technical session to review the issues and recommend a proposed procedural schedule for consideration of the issues raised by the filing; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. R. Puc 203.12, West Swanzey notify all persons desiring to be heard at this hearing by providing a copy of this Order on or before November 5, 2010 to all current and known prospective customers by first class mail as well as mailing a copy of the Order to the town clerk for the Town of West

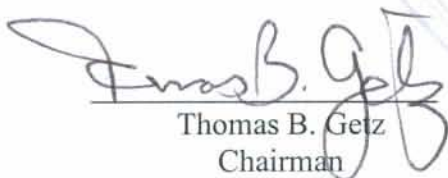
Swanzy. Said mailings to be documented by affidavit filed with the Commission on or before November 19, 2010; and it is

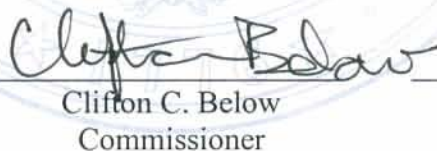
FURTHER ORDERED, that pursuant to N.H. Code Admin. R. Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to West Swanzy and the Office of the Consumer Advocate on or before, November 16, 2010 such Petition 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. Code Admin. R. Puc 203.17 and RSA 541-A:32, I(b); and it is

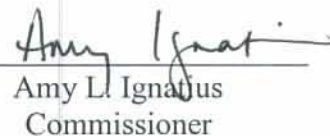
FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before November 19, 2010; and it is

FURTHER ORDERED, that, pursuant to N.H. Code Admin. R. Puc 203.12(a)(5), each party has the right to have an attorney represent them at their own expense;

By order of the Public Utilities Commission of New Hampshire this seventh day of October, 2010.


Thomas B. Getz
Chairman


Clifton C. Below
Commissioner


Amy L. Ignatius
Commissioner


Debra A. Howland
Executive Director

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.