

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 13-305

LORDEN COMMONS SEWER COMPANY, LLC

Franchise and Permanent Rate Proceeding

Order Suspending Proposed Tariffs and Scheduling Prehearing Conference

ORDER NO. 25,608

December 19, 2013

On October 21, 2013, Lorden Commons Sewer Company, LLC (Lorden), a utility authorized to provide sewer service to a residential development known as Lorden Commons in the Town of Londonderry, filed a notice of intent to file rate schedules to establish initial sewer rates pursuant to RSA 378. Four days later, on October 25, 2013, Lorden filed its tariff pages and schedules as well as pre-filed testimony of Stephen P. St. Cyr of Stephen P. St. Cyr & Associates, and other supporting documents required by Puc Chapter 1600. Lorden also requested waiver of certain filing requirements contained in Puc 1604.01. Lorden's petition and subsequent docket filings, other than any 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/Docketbk/2013/13-305.html>.

Pursuant to Puc 1604.05 (a), written notice of a utility's intent to file rate schedules must be done at least 30 days prior to the actual filing of such schedules. On November 6, 2013, the Commission notified Lorden that it was rejecting its filing, without prejudice, for this reason. On November 21, 2013, Staff re-filed Lorden's schedules within the correct time-frame and noted the filing was on behalf of Lorden who was experiencing a family emergency.

According to Lorden, the development will consist of single-family, three-bedroom homes; fifty homes will be built over a two-year period beginning in the fall of 2013. Eighty-two more homes will be built within the next four years, for a total of 132 homes. Lorden expects to provide sewer service starting in the fall of 2013 and seeks rates sufficient to allow it to earn a return on its investment and to meet its operating expenses. Lorden seeks an annual revenue requirement of \$11,616, and proposes a 7.00% rate of return, and a rate base of \$2,058. It estimates the average residential customer's annual bill would be \$232.32. The homes and much of the sewer system are being constructed by Chinburg Builders, Inc. (Chinburg). The sewer system will be owned and operated by Lorden, of which Chinburg is the sole member. Because Chinburg constructed much of the system, a portion of rate base will be considered Contribution in Aid of Construction (CIAC) and will not earn a return. Lorden will collect sewage and deliver it to the City of Manchester for treatment and disposal. Lorden proposes that sewer rates become effective as of the date services are provided to its customers.

On July 22, 2011, by Order No. 25,253, the Commission granted Lorden franchise approval and authorized it to provide sewer service to the Lorden Commons. *See Lorden Commons Sewer Company, L.L.C.*, 96 N.H. P.U.C. 399 (2011). Pursuant to RSA 374:27, franchise authority must be exercised within two years, and in this case, it is not certain that occurred. Accordingly, we will consider this franchise issue in this proceeding.

With respect to the waiver request, Lorden requests waiver of a substantial portion of Puc 1604.01. Because of its small size; we agree that much of Puc 1604.01 is either inapplicable or unnecessary. For example, Puc 1604.01(a) contains requirements for monthly internal financial reports, annual reports to stockholders, charitable contributions, advertising, cost of service studies, Securities and Exchange Commission forms 10K and 10Q, and information concerning a

parent company; all of which are either inapplicable to a small company such as Lorden, or, if relevant, may be obtained through discovery. Accordingly, we find that compliance with the rule would be onerous or inapplicable given the circumstances and that the purpose of the rule can be satisfied by an alternative method, such as discovery. We further find that the waiver serves the public interest and that it will not disrupt the orderly and efficient resolution of matters before the Commission. We, therefore, grant the requested waivers of Puc 1604.01(a)(1), (2), (5), (6), (7), (9), (10), (11), (12), (13), (17), (19), (20), (21), (23), (24), (25), (26), and (27).

The filing raises, inter alia, issues related to: RSA 374:22 and 374:27 and whether Lorden's franchise to provide sewer service for Lorden Commons is in the public good; RSA 378:7 and whether the proposed rates are lawful, just, and reasonable; and RSA 378:28 and whether the calculation of rate base represents prudent investment in property that is used and useful and whether the rate design, test year, rate of return, and capital structure are reasonable. Pursuant to Puc 203.12(a)(5), each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that Lorden's Original Page 1 tariff schedule of rates is hereby suspended; and it is

FURTHER ORDERED, that a waiver of certain filing requirements of Puc 1604.01 is hereby granted as set forth above; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to Puc 203.15, be held before the New Hampshire Public Utilities Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on January 22, 2014 at 10 a.m. at which each party and the

Commission Staff will provide a preliminary summary of its positions with regard to the filing; and it is

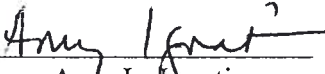
FURTHER ORDERED, that immediately following the prehearing conference, Lorden, the Commission Staff, and any intervenors hold a technical session to review the issues and recommend a proposed procedural schedule for consideration of the issues raised by the filing; and it is

FURTHER ORDERED, that, pursuant to Puc 203.12, Lorden provide a copy of this order by first class mail to all of its current and known prospective customers as well as to the Town Clerk of the Town of Londonderry by January 7, 2014 such mailing to be documented by affidavit filed with this office on or before January 20, 2014; and it is

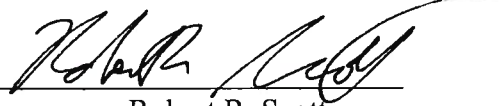
FURTHER ORDERED, that, pursuant to Puc 203.12, any party seeking to intervene in the proceeding shall submit to the Commission seven (7) copies of a petition to intervene with copies sent to Lorden and the Office of the Consumer Advocate on or before January 16, 2014, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by 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 January 22, 2014; and it is

By order of the Public Utilities Commission of New Hampshire this nineteenth day of
December, 2013.

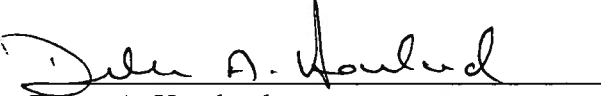


Amy L. Ignatius
Chairman



Robert R. Scott
Commissioner

Attested by:



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.